Annual Report **2017-18**

TITAGARH

TITAGARH WAGONS LIMITED

1000 Ton Fuel Barge

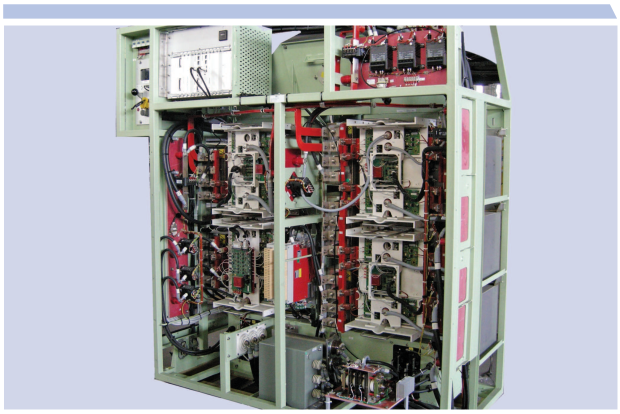
Hauled Train Set ETR 500

Standard Guage, Grain Hopper Wagon

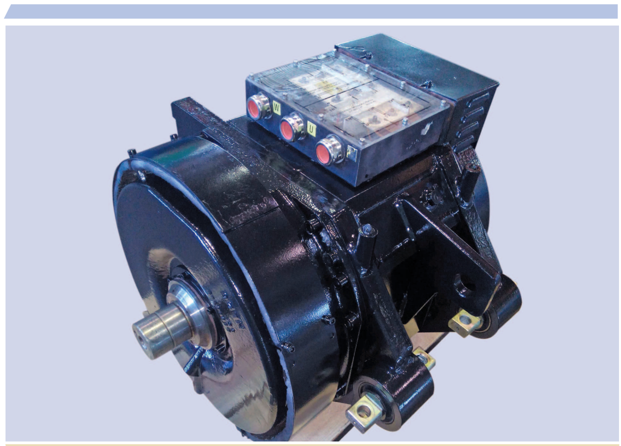
BOXN-HL Wagon

Double Decker EMU Train Set, TSR

EMU



Traction Converter



Traction Motor

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

Board of Directors

Shri J P Chowdhary	*Executive Chairman*
Shri Umesh Chowdhary	*Vice Chairman and Managing Director*
Shri D N Davar	*Independent Director*
Shri Manoj Mohanka	*Independent Director*
Shri Sunirmal Talukdar	*Independent Director*
Shri Ramsebak Bandyopadhyay	*Independent Director*
Shri Sudipta Mukherjee	*Wholetime Director*
Smt. Rashmi Chowdhary	*Non-Executive Director*
Shri Atul Joshi	*Independent Director*
Mr. Vincenzo Soprano	*Non-Executive Director*

Shri Anil Kumar Agarwal	*Chief Financial Officer*
Shri Dinesh Arya	*Company Secretary*

Audit Committee

Shri D N Davar	Chairman
Shri Manoj Mohanka	Member
Shri Sunirmal Talukdar	Member
Shri Ramsebak Bandyopadhyay	Member

Stakeholders' Relationship Committee

Shri Manoj Mohanka	Chairman
Shri Umesh Chowdhary	Member
Shri Sunirmal Talukdar	Member

Auditors

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants, Kolkata

Bankers

Axis Bank Limited
HSBC Limited
ICICI Bank Limited
IDBI Bank Limited
IndusInd Bank Limited
State Bank of India
Syndicate Bank
Yes Bank
Standard Chartered Bank
RBL Bank Limited

Nomination & Remuneration Committee

Shri D N Davar	Chairman
Shri J P Chowdhary	Member
Shri Manoj Mohanka	Member
Shri Ramsebak Bandyopadhyay	Member

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary	Chairperson
Shri J P Chowdhary	Member
Shri Sunirmal Talukdar	Member
Shri Umesh Chowdhary	Member

Registrar & Transfer Agent (RTA)

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad 500032
Phone : 91 40 6716 2222, Fax : 91 40 2300 1153
Email for Investors: einward.ris@karvy.com

Registered & Corporate Office

Titagarh Towers
756, Anandapur, E M Bypass, Kolkata 700 107
Phone : 91 33 4019 0800, Fax : 91 33 4019 0823
Email : investors@titagarh.in
Website : www.titagarh.in

* *As on 10th August, 2018*

CONTENTS

TITAGARH WAGONS LIMITED
Titagarh Towers
756, Anandapur, EM Bypass, Kolkata - 700107
Phone : 91 33 4019 0800, Fax : 91 33 4019 0823
E-mail : corp@titagarh.in, Website : www.titagarh.in

Notice

NOTICE is hereby given that the **TWENTY FIRST ANNUAL GENERAL MEETING** of the members of **TITAGARH WAGONS LIMITED** ("the Company") will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020 (Landmark: Near Nehru Children's Museum) on Saturday, the 29th September, 2018 at 3.15 P.M. to transact the following businesses:

Ordinary Business:

1. **To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018, the consolidated financial statement for the said financial year and the Reports of the Board of Directors and Auditors thereon.**
2. **To declare a dividend on Equity Shares.**
3. **To appoint a Director in place of Smt. Rashmi Chowdhary (DIN: 06949401), Non-Executive Director, who retires by rotation and, being eligible, offers herself for re-appointment.**
4. **To appoint Auditors and fix their remuneration by passing, with or without modification(s) the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 40 of the Companies (Amendment) Act, 2017 read together with the provisions of Section 139 of the Companies Act, 2013 (as amended) and other applicable provisions, if any, and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in partial modification of the resolution passed by the members of the Company at the 20th Annual General Meeting held on 31st July, 2017, the Company hereby dispenses with the requirement of ratification of the appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (FRN 304026E/E-300009), as the Statutory Auditors of the Company."

Special Business:

5. **To appoint Shri Ramsebak Bandyopadhyay as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force] and the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Ramsebak Bandyopadhyay (DIN: 01122778), who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 10th August, 2017 and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on August 9, 2022."*

6. **To appoint Shri Atul Joshi as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force] and the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Atul Joshi (DIN: 03557435), who* *was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 24th January, 2018 and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on January 23, 2023."*

7. **To reappoint Shri D. N. Davar as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Shri Dharmendar Nath Davar (DIN:00002008), be and is hereby reappointed as an Independent Director of the Company to hold office for a further term of 5 (five) years from April 1, 2019.*

   RESOLVED FURTHER THAT *pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and Rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Shri D.N. Davar be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.*

   RESOLVED FURTHER THAT *the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

8. **To reappoint Shri Manoj Mohanka as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Shri Manoj Mohanka (DIN:00128593), be and is hereby reappointed as an Independent Director of the Company to hold office for a further term of 5 (five) years from April 1, 2019.*

   RESOLVED FURTHER THAT *pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and Rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Shri Manoj Mohanka be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.*

   RESOLVED FURTHER THAT *the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

9. **To reappoint Shri Sunirmal Talukdar as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee, Shri Sunirmal Talukdar (DIN:00920608), be and is hereby reappointed as an Independent Director of the Company to hold office for a further term of 5 (five) years from April 1, 2019.*

   RESOLVED FURTHER THAT *pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and Rules made there under [including any statutory modification(s) or re-enactment(s)* *thereof for the time being in force], Shri Sunirmal Talukdar be paid such fees and commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time*.

RESOLVED FURTHER THAT *the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

10. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance an amount equivalent to the estimated actual expenses of delivery of the documents pursuant to any request along with the requisite fee is duly received by the Company at least one week advance of the despatch of the document by the Company to the shareholder.*

RESOLVED FURTHER THAT *for the purpose of giving effect to this Resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above Resolution."*

11. **To ratify the Remuneration of Cost Auditor and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 2,00,000 (Rupees Two Lakhs only) plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be actually incurred by the firm, payable to M. R. Vyas and Associates, Cost Accountants (Registration No. 2032) of D-219, Vivek Vihar, Phase-I, New Delhi- 110095 appointed by the Board as Cost Auditors of the Company for the financial year 2018-19 be and is hereby ratified."*

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
10th August, 2018

By Order of the Board
Dinesh Arya
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY**. Members /Proxies/Authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the Annual General Meeting (AGM).

3. The Register of Members and Share Transfer Register shall remain closed with effect from Saturday, September 22, 2018, to Saturday, September 29, 2018 (both days inclusive) for the purpose of determining the members eligible for dividend, if declared at the Meeting.

4. Members are requested to note that dividends not encashed/claimed, and warrants for fractional entitlements of shares within seven years from the date of declaration of dividend/IPO will, as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Members concerned are requested to refer carefully to the provisions of Sections 124(6) and 125 of the Act. Please browse the link http://www.titagarh.in/investor.php for the list of shareholders whose unclaimed dividend for the financial year ended March 31, 2011 is due for transfer to IEPF in August, 2018.

5. The Company shall also display full text of these communications/documents/reports at its website **www.titagarh.in** and physical copies of such communications/documents/Annual Reports will be made available at the Registered Office of the Company for inspection by the shareholders during the office hours on working days.

   Please note that as a member of the Company upon receipt of your request, you will be entitled to receive free of cost, copy of such communications/ documents/Annual Reports and all other documents required to be attached thereto.

   In case you desire to receive the documents mentioned above in physical form, please write to us at investors@titagarh.in quoting your Folio No./Client ID and DP ID.

   All those members who have not registered their e-mail addresses or are holding shares in physical form are requested to immediately register their e-mail addresses with NSDL/CDSL along with Folio No. /Client ID and DP ID.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. Electronic copy of the Annual Report for 2018 is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2018 is being sent in the permitted mode.

9. Electronic copy of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

10. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website **www.titagarh.in** for download. The physical copies of the aforesaid documents will also be available at the Company's Registered/Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@titagarh.in.

11. Voting through electronic means :

    a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration)

Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the company is pleased to provide members the facility to exercise their vote through remote e-voting in respect of the resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) by using the electronic voting facility provided by the Karvy Computershare Private Limited.

b. The remote e-voting period commences at 9:00 a.m. on Tuesday, the 25th September, 2018 and ends at 5:00 p.m. on Friday, the 28th September, 2018. The remote e-voting module shall be disabled by Karvy for voting thereafter.

c. During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Saturday, the 22nd September, 2018 may cast their vote electronically.

d. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

e. Voting rights of the member shall be in proportion to their respective shareholding as on the cut-off date i.e. Saturday, the 22nd September, 2018.

f. The facility for voting through polling paper shall be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.

g. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.

h. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Saturday, the 22nd September, 2018 should follow the instructions for e-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Transfer Agent.

i. The Board of Directors has, at its meeting held on 10th August, 2018, appointed Sushil Goyal & Co; Company Secretaries as the scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

j. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot paper.

k. The Instructions for Shareholders voting electronically are as under:

   A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)] :

      i) Launch internet browser by typing the URL: https://evoting.karvy.com.

      ii) Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

      iii) After entering these details appropriately, click on "LOGIN".

      iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

      v) You need to login again with the new credentials.

vi) On successful login, the system will prompt you to select the "EVENT" i.e., Titagarh Wagons Limited.

vii) On the voting page, you may select the option, 'Yes' or 'No' as desired. You may also choose the option "ABSTAIN". If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x) You may then cast your vote by selecting an appropriate option and click on "Submit"

xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).

xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: csskgoyal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 22nd September, 2018, may write to the Karvy on the email Id:evoting@karvy.com or to Mr. N. Shyam, Contact No. 040-67162222, at [Unit: Titagarh Wagons Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s)]:

i) User ID and initial password as provided at the bottom of the Attendance Slip :

ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com. (Karvy's website).

D. The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.

E. The results so declared along with Scrutinizer's Report shall be placed on the website link : https://evoting.karvy.com and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting. The results shall also be forwarded to the BSE and NSE.

12. Members are requested to preferably send their queries to the Registered Office at least 7 days before the date of the Annual General Meeting.

13. The documents pertaining to all the special businesses set out in the Notice are available for inspection at the Registered Office of the Company during 10.30 A.M. to 1.00 P.M. on all working days.

14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

15. Route-map to the venue of the meeting is provided at the end of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

Items No. 5 & 6

Shri Ramsebak Bandyopadhyay and Shri Atul Joshi appointed as Additional Directors (Category: Independent) of the Company by the Board, pursuant to selection and review of their candidature by the Nomination and Remuneration Committee, with effect from 10th August, 2017 and 24th January, 2018 respectively, in terms of the provisions of Section 161 of the Act, hold office upto the date of this Annual General Meeting (AGM).

Shri Ramsebak Bandyopadhyay, aged about 67 years, an IAS officer of 1974 batch, had an illustrious career in Indian Administrative Service, having retired as Secretary, Ministry of Corporate Affairs, Government of India, on 31st January 2011. Later he functioned as Member, Central Administrative Tribunal (CAT) with status of a High Court Judge till 6th January, 2016. He is a first class First in M.Sc. Physics from Calcutta University, a Post-M.Sc. from Saha Institute of Nuclear Physics, Calcutta and holds a Masters' degree in Development Studies in the University of East Anglia, Norwich, U.K.

Shri Atul Joshi, aged about 50 years, is a double graduate in Commerce and Economics from Bombay University and a Chartered Accountant. He also holds Bachelor in General Law. Shri Joshi is an economic policy veteran and has 25 years of rich experience. Most recently he was heading Fitch Ratings Group. He is the Founder and CEO of Oyster Capital Management. He advises foreign investors on FDI investments in Infrastructure in India. He also mentors start-ups.

The Directors are of the opinion that Shri R. Bandyopadhyay and Shri A. Joshi fulfill the conditions specified in the Act and the SEBI (LODR) Regulations, 2015 for appointment as Independent Directors, and recommend passing of the aforesaid Ordinary Resolutions.

A copy of the letters of appointment of Shri R. Bandyopadhyay and Shri A. Joshi would be available for inspection without any fee by the members at the Registered Office of the Company between 11:00 am and 1:00 pm on all working days except Saturdays till the date of Annual General Meeting.

The other disclosures required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI are set out at the end of this Notice.

None of the Directors or key managerial personnel or their relatives, except Shri R. Bandyopadhyay and Shri A. Joshi respectively to the extent of their respective appointment, are concerned or interested in the said Resolutions.

Items No. 7 to 9

Based on recommendation of Nomination and Remuneration Committee and pursuant to provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has proposed reappointment of Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar as the Independent Directors at this Annual General Meeting of the Company for second term of 5 years with effect from April 1, 2019.

Shri D.N. Davar is M.A. (Economics), B.Com. (Hons.), CAIIB-Indian Institute of Bankers, Fellow of Economic Development Institute of the World Bank. Shri Davar aged about 83 years has over 50 years of Banking/Development Banking experience with extensive exposure to industrial finance, industrial development and all-round corporate management.

Shri Manoj Mohanka, aged about 55 years, holds a Bachelor's degree in Commerce with Honours from St. Xaviers College, Kolkata, and a Master's degree with a specialization in Strategic Marketing from the National University of Ireland and has been a Chevening – Gurukul Scholar at the London School of Economics. He has vast experience of 30 years.

Shri Sunirmal Talukdar, aged about 66 years, had been Group Executive President and Chief Financial Officer of a large Company. He has vast professional experience in finance/banking, negotiation and finalization of financial commitments, coordination of due diligence, financing and M&A process and general management functions.

The Nomination and Remuneration Committee at its meeting held on February 14, 2018, evaluated the performance of all the Independent Directors including Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar and concluded that their performance was satisfactory.

Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar fulfill the conditions specified in the Companies Act, 2013, the Rules made there under and the SEBI (LODR) Regulations, 2015 for their re-appointment as Independent Directors of the Company. The Company has received declarations to the effect that they meet the criteria of Independent Director as provided under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board considers that the above named Directors' continued association as Independent Director would be of immense benefit to the Company, and recommend passing of the aforesaid Special Resolutions.

Copies of the draft letters of re-appointment of Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar would be available for inspection without any fee by the members at the Registered Office of the Company between 11:00 am and 1:00 pm on all working days except Saturdays till the date of Annual General Meeting.

The other disclosures required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI are set out at the end of this Notice.

None of the Directors or key managerial personnel or their relatives, except Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar respectively to the extent of their respective appoinment, are concerned or interested in the said Resolutions.

Item 10

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office address or by such electronic or other mode as may be prescribed. Further a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined in its Annual General Meeting.

As stated in the Resolution, the board is proposed to be authorised to charge actual amount of expenses for this purpose.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financially or otherwise, in the said Resolution.

The Directors recommend passing of the aforesaid Resolution as an Ordinary Resolution.

Item 11

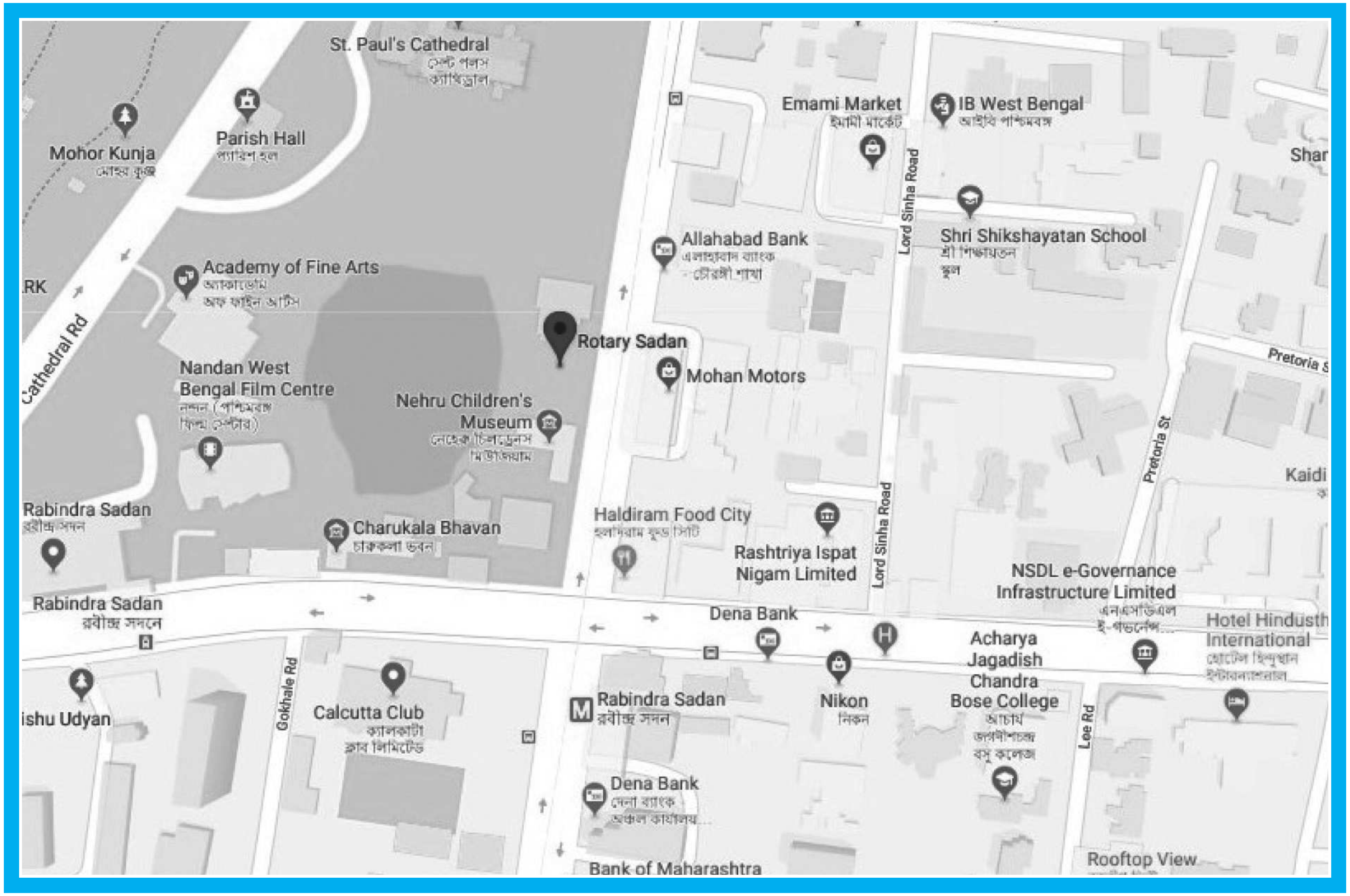
The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 29th May, 2018, has appointed M.R. Vyas and Associates, Cost Accountants as Cost Auditor of the Company for the financial year 2018-19 at a remuneration of Rs. 2,00,000/-. Pursuant to Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor is to be ratified by the shareholders.

The Board recommends the Resolution set forth at this Item for approval of the members. None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

Registered Office:
756, Anandapur
E.M. Bypass, Kolkata -700107
10th August, 2018

By Order of the Board
Dinesh Arya
Company Secretary

Route Map to the AGM Venue



Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020
(Landmark: Near Nehru Children's Museum)

Detail of Directors seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	Smt. Rashmi Chowdhary	Shri Ramsebak Bandyopadhyay	Shri Atul Joshi	Shri D.N. Davar	Shri Manoj Mohanka	Shri Sunirmal Talukdar
Date of Birth	11/01/1973	07/01/1951	04/03/1968	08/08/1934	05/03/1963	06/12/1951
Date of Appointment as director	14/08/2014	10/08/2017	24/01/2018	08/12/2006	21/12/2001	09/11/2013
Qualifications	BA Hons. (History)	M.Sc. Physics, Post-M.Sc. Masters' degree in Development Studies, IAS	Double graduate in Commerce and Economics Bachelor in General Law, CA	B.Com. (Hons) M.A. (Economics) CAIIB	B.Com. (Hons) M.B.A.	B.S.C, A.C.A
Expertise in Specific Functional Areas	General Management	IAS officer of 1974 batch, had an illustrious career in Indian Administrative Service	An economic policy veteran and advisor to foreign investors on FDI investments in Infrastructure in India	Over 50 long years of Banking/ Development Banking experience with intensive exposure to Industrial finance.	Over 30 years experience in manufacturing and service sector	Vast professional experience in finance/banking, coordination of due diligence, financing and M&A processes.
Remuneration last drawn (Rs.) [Sitting fees only: For FY 2017-18]	2,00,000	4,40,000	1,20,000	7,60,000	8,40,000	6,80,000
Number of Meetings of the Board attended during the year 2017-18	5 out of 7	5 out of 5	2 out of 2	7 out of 7	7 out of 7	7 out of 7
Directorship held in other companies (excluding foreign companies)	Nil	1. V L S Finance Limited 2. Development Consultants Pvt. Ltd. 3. DCG Data-Core Systems (India) Pvt. Ltd.	1. Taurus Corporate Advisory Services Ltd. 2. Imperator Autocorp Pvt. Ltd. 3. Global Insurance Brokers Pvt. Ltd.	1. Sandhar Technologies Ltd. 2. Maral Overseas Ltd. 3. HEG Ltd. 4. RSWM Ltd. 5. OCL India Ltd. 6. Ansal Properties & Infrastructure Ltd. 7. Hero Fincorp Ltd. 8. Adayar Gate Hotel Ltd.	1. Indian Terrain Fashions Ltd. 2. India Carbon Ltd. 3. 3DTechnopack Ltd. 4. Voylla Fashions Pvt. Ltd. 5. Charismatic Media Investment Pvt. Ltd. 6. Artevea Digital India Pvt. Ltd. 7. ATI Freight Pvt. Ltd.	1. Titagarh Capital Pvt. Ltd. 2. India Carbon Ltd. 3. Clariant Chemicals (India) Ltd. 4. Sasken Technologies Ltd. 5. Innvol Medical India Ltd. 6. Aris Capital Pvt. Ltd. 7. Advanced Performance Materials Pvt. Ltd.
Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee andStakeholders Relationship Committee)	Nil	Nil	Nil	**Audit Committee:** 1. Hero Fin Corp Ltd. 2. OCL India Ltd. 3. Ansal Properties & Infrastructure Ltd. 4. HEG Ltd. 5. RSWM Ltd. 6. Maral Overseas Ltd. **Stakeholders Relationship Committee:** 1. RSWM Ltd. 2. Maral Overseas Ltd.	**Audit Committee:** 1. India Carbon Ltd. 2. Indian Terrain Fashions Ltd.	**Audit Committee:** 1. Titagarh Capital Pvt. Ltd. 2. Clariant Chemicals (India) Ltd.
No. of shares held in the Company	1,28,16,105 equity shares	Nil	Nil	Nil	Nil	Nil

Directors' **Report**

Dear Shareholders,

The Directors hereby present their Twenty First Annual Report on the business and operations of the Company ('the Company' or 'TWL') along with the audited financial statements, for the financial year ended March 31, 2018. The consolidated performance of Titagarh Group (the Company and its subsidiaries) has been referred to wherever so required.

1. Profit, Retention & Dividend

Titagarh Group's financial performance during the financial year ended March 31, 2018 was follows:

₹ in lakhs

	Standalone		Consolidated	
Particulars	2017-18	2016-17	2017-18	2016-17
Revenue from operations	31,652.05	37,033.60	127,143.84	173,918.93
Other income	2,328.20	2,431.36	2,987.86	2,901.78
Total Income (TI)	**33,980.25**	**39,464.96**	**130,131.70**	**176,820.71**
Earnings before interest, tax depreciation and amortisation (EBIDTA)	**2,082.86**	**4,225.87**	**(6,686.54)**	**13,708.70**
Less: Finance Cost	864.45	438.44	4,405.99	3,130.89
Less: Depreciation and amortization expenses	1,297.20	1,156.02	5,083.59	5,152.44
(Loss)/ Profit before exceptional items & tax	**(78.79)**	**2,631.41**	**(16,176.11)**	**5,425.37**
Share of Loss of a joint venture		–	32.36	5.80
Exceptional items		–	509.12	449.91
Profit / (Loss) before tax	**(78.79)**	**2,631.41**	**(16,717.59)**	**4,969.66**
Tax Expenses	370.33	703.04	1,994.16	2,226.59
Profit / (Loss) for the year after tax	**291.54**	**1,928.37**	**(14,723.43)**	**2,743.07**
Other Comprehensive Income	**(3.66)**	**(13.76)**	**3,526.74**	**(1224.66)**
Total Comprehensive Income for the year	**287.88**	**1,914.61**	**(11,196.69)**	**1,518.41**

2. Performance and Outlook

During the Financial Year 2017-18 the Company's performance on a standalone basis declined sharply as compared to the previous financial year due mainly to delay in release of Wagons procurement order by the Indian Railways (IR), the largest customer of your Company.

Your Company launched the first 1000-Ton ship for Indian Navy before the contractual delivery period, on the 17th May, 2018. While the execution of contracts for the other ship for Indian Navy and two coastal research vessels for Ministry of Earth Sciences is progressing as per schedule, your Company is pursuing more orders for this vertical.

The merger of Titagarh Agrico Private Limited- a wholly owned subsidiary of the Company with Cimmco Limited, a subsidiary of the Company, was sanctioned by the Hon'ble National Company Law Tribunal, Kolkata by its Order dated October 16, 2017 and has been given effect to and is reflected in the relevant numbers appearing hereinabove.

On a consolidated basis, the Group's performance suffered a major setback due to one-time provision required to be made in respect of certain legacy contracts that were inherited at the time of acquisition of the business from Firema Trasporti SpA, Italy (FAS); and technical problem witnessed in the bogies fitted into the freight cars supplied in the past affecting production in France, respectively in overseas subsidiaries in Italy and France.

Indian Railways released the bulk procurement order for 1147 Wagons worth Rs. 270.18 crore in the end of December, 2017 and the Company also secured orders from private sector customers and the execution of these orders has commenced in the first quarter of the current financial year after completing the necessary formalities.

Construction of ships under the orders in hand is progressing and more business is being pursued by participation in other tenders in this segment, though the procedure of announcement and finalisation of tenders takes considerable time.

Indian Railway having announced procurement of 22000 wagons, going forward, the focus rightly being on higher utilisation of capacity available with the Company, participation in the tenders for Metro Coaches, and more efficient control over value chain, make the outlook for the current financial year reasonably encouraging. On a consolidated basis, all efforts are being made to appropriately deal with the challenges imposed by the legacy contracts and improve the performance in the coming months.

Management Discussion and Analysis

Overall Review

The overall performance of the Company during the financial year 2017-18 sharply declined at standalone level due to delay in wagons procurement order by Indian Railways, the largest customer of freight cars. On consolidated basis the one-time provision/write-off of losses incurred on account of re-estimation of certain long time contracts that were inherited along with the acquisition of the business from the seller- FAS severally impacted the Group's performance. Further, technical problem in the bogies hampered production at Titagarh Wagons AFR, the wholly-owned subsidiary of the Company in France and contributed to the adverse effect on the financial performance on consolidated level.

Rs in lakhs

		Standalone		Consolidated	
	Particulars	2017-18	2016-17	2017-18	2016-17
1	**Segment revenue (gross)**				
	Wagons & coaches	23,260.62	29,341.56	118,668.96	165,829.61
	Specialised Equipments& Bridges	4,150.84	7,171.51	4,150.84	7,171.51
	Shipbuilding	3,516.72	–	3,516.72	–
	Others	723.87	520.53	807.32	917.81
	Net sales/ Income from operations	**31,652.05**	**37,033.60**	**127,143.84**	**173,918.93**
2	**Segment results [Profit / (Loss) before tax and interest]**				
	Wagons & coaches	18.83	2,023.09	(11,553.80)	7,246.38
	Specialised Equipments& Bridges	619.93	1,398.55	357.47	1,392.75
	Shipbuilding	549.08	(192.19)	549.08	(192.19)
	Others	248.84	298.48	(1,780.82)	(555.05)
	Total	**1,436.68**	**3,527.93**	**(12,428.07)**	**7,891.89**
	Less / (Add)				
	Interest Income - Net	(683.71)	(992.33)	2,660.96	1,033.48
	Unallocable expenditure net of income	2,199.18	1,888.85	1,628.56	1,888.75
	Profit before taxes	**(78.79)**	**2,631.41**	**(16,717.59)**	**4,969.66**
	Tax Expenses	**(370.33)**	**703.04**	**(1,994.16)**	**2,226.59**
	Profit after taxes	**291.54**	**1,928.37**	**(14,723.43)**	**2,743.07**

Segment Review – Standalone

- Revenue from operations on a standalone basis declined from Rs. 37,033.60 lakhs in FY 2016-17 to Rs 31,652.05 lakhs during the FY 2017-18, a reduction of 14.53%.
- The EBIDTA margins (before exceptional items) reduced from 11.41% of revenue in the previous year to 6.58% in the FY 2017-18 due to change in the product mix. The majority of revenue during the year under review comprised sale of wagons where the overall margin was lower than that recorded by the other verticals.
- Shipbuilding vertical launched the first ship weighing 1000 Tonnes before the scheduled delivery date against the order placed for the two ships by Indian Navy, adding Rs. 3516.72 lakhs to the Revenue i.e. 11.11% of the total revenue during the FY 2017-18.

Revenues and EBIDTA – Consolidated

- Revenue from operations at Rs. 127143.84 lakhs was lower by 26.89% on a consolidated basis as compared to Rs. 173,918.93 lakhs in the previous financial year mainly due to delay in release of orders for wagons procurement by the Indian Railway. The total consolidated Group revenue comprised 31.86% from Indian operations and 68.14% from overseas operations.
- The Consolidated EBIDTA margin (before exceptional items) was negative during the year due to one-time provision required to be made by the foreign subsidiary in Italy. However, after removing the impact of one time provision in the foreign subsidiary the overall EBIDTA was positive at 1.51% as against 7.88% in the previous year. The subsidiary in France also recorded loss mainly due to technical problem witnessed in the bogies used in the supply of Wagons in the past, impacting production. The performance of the foreign subsidiaries is dealt with in detail separately hereinbelow.

Performance of segments

1. **Wagons and Coaches** (the segment consists of entire solution for the rolling stock requirements of customers, from freight wagons to passenger coaches, bogies, couplers, crossings and all allied products.)

Standalone Performance

- The Wagons and Coaches segment recorded a decline of 20.72% in turnover for FY 2017-18 as compared to the previous year, as the execution of the bulk order for 1147 Wagons received in the end of December, 2017 could not start in the FY 2017-18 pending finalization of certain aspects, which has since commenced in the first quarter of the current year.
- Although the revenue from operations declined due to reasons stated above, the segment saw a sharp increase in the order book. The year under review ended with an order book of Rs. 587.94 crores, an increase of 96% as compared to the order book as at 31st March 2017. The above increase in the order book is attributed to overall improvement in the wagon procurement from the Indian Railways (IR). Also the demand from the private sector showed a favourable movement with some large orders flowing from the private customers.
- The Company secured its first developmental order of trains electrical from Chittaranjan Locomotive Works (CLW) for supply of one set of 3-phase IGBT Propulsion System for WAG9, India's highest capacity electric locomotive, valuing Rs 1.94 crores. The above order has been received using the credentials of our wholly owned subsidiary company, Titagarh Firema SpA. The designing and manufacturing of the prototype is under process.

2. **Specialised Equipments & Bridges** (consists of bailey / other modular bridges, nuclear biological shelters and other defence related products)

- The revenue from this segment saw a decline of 42% during the year under review with the resulting impact on the segment results, basically due to lack of orders from the Ministry of Defence.
- The Company was awarded a prestigious order for supply of 30 modular steel bridges valued at USD 9 million by the Ministry of Physical Infrastructure and Transport, in Nepal- a project funded by World Bank Nepal. The Modular Panel Truss Bridges are an upgraded type of bridges and will be manufactured with the technology to be provided by Matiere pursuant to the technology agreement entered into by the Company.
- Similar to the Wagons and Coaches segment, the Specialised Equipment and Bridges segment saw an increase in the order book during the year. The order book at the end of the year amounted to Rs. 86 crores, an increase of 25% against previous year.

TITAGARH

Shipbuilding

- The execution of the two prestigious orders received in the previous year valued at Rs.170 crores from the Indian Navy and National Institute of Ocean Technology started during the year and since the performance of the segment met the reporting requirements of a reportable segment as per IND AS 108 on Operating Segments, the Company has disclosed "Shipbuilding" as a separate reportable segment during the year.

  The total revenue booked based on the percentage of completion method amounted to Rs. 3516.72 lakhs with a segment profit of 15.61%.

- During the year, the Company has successfully launched its first ship (1000 MT fuel barge) for the Indian Navy before time and is privileged to be a significant part of the Make in India campaign. The construction work of the remaining three ships from Indian Navy and National Institute of Ocean Technology (NIOT) is progressing satisfactorily.

- The Company has participated in several tenders for ships and going ahead is hopeful of positive results.

Performance of the Operating Subsidiaries

Titagarh Firema SpA, Italy (TFA)

The summary of the financial results of TFA which have been consolidated in the financials of the Company for the FYE 31/03/2018 is as under:

Rs in lakhs

	Year Ended	
As per IND AS	2017-18	2016-17
Revenue from Operations	58,031	101,079
EBIDTA (before onetime provision)	3,322	8,685
EBIDTA %	5.72%	8.59%
One time provision*	-8,097	–
Reported PAT	-8,023	3,313

** Refer note below on one time provision*

- TFA's EBIDTA of 5.72% during the FY 2017-18 as against 8.59% in the previous year is basically due to execution of low margin orders inherited along with the acquisition of business. These are contracts with very low or negative margins which were a part of the acquisition agreement.

- One time provision in FY 2017-18 represents the following:

  o Rs. 3,133.91 lakhs (Euro 4.21 million) represents one-time provision/write off of losses incurred on account of re-estimation of certain long term contracts that were inherited alongwith the acquisition of the business from the seller: FAS.

  o Rs. 4,963.29 lakhs (Euro 6.58 million) represents provision of estimated penalties likely to arise due to expected delay in supply of trains against contracts that were inherited. Considering the various circumstances that led to the delay, while Management is in active negotiation with the customer to renegotiate and reduce the total amount of this penalty, the final amount will be known on conclusion of the negotiation, however, as a matter of prudence and abundant precaution necessary provision towards the above penalties has been made in the books of accounts.

- After considering the aforesaid one-time provision and the actual consideration paid, the total cost of acquisition is substantially lower than the fair value of the fixed assets (as carried out by independent valuers) and by and large as per the original estimates made at the time of acquisition.

- The order book of TFA as at 31st March 2018 was Euro 138 million. The Company has booked new orders after acquisition amounting to Euro 168 million out of which Euro 76 million is now under execution and the balance has been successfully executed. Out of the inherited contracts of Euro 225 million, Euro 163 million has been successfully executed and the balance of Euro 62 million is under execution.

- The total equity infusion by Titagarh Wagons Limited- the parent Company till date is Euro 25 million and the working capital deployed in the form of direct loan from the bank and shareholder's loan is Euro 41 million. The cash and cash equivalent including balance with government authorities and deposits against tenders/contracts with customers was Euro 25 million as on 31st march 2018.

- TFA has participated/ is prequalified for several tenders in Europe and other parts of the world and is pursuing them. The total value of the tenders participated or in the process is almost Euro 2 billion.

Titagarh Wagons AFR, France (TWA)

- TWA achieved sales of Rs. 28,602.12 lakhs during the year ended 31st March 2018, as against Rs. 27,322.67 lakhs in the previous year.

- TWA has reported a loss before tax of Rs 4,405.64 lakhs for the year ended 31st March 2018 as against loss of Rs 117.31 lakhs in the previous year.
- The sales and profitability of TWA was impacted due to the following:
  - o technical problem in the bogies which hampered production during the year. The problem has since been resolved and the production has resumed.
  - o Revenue from operations includes 33% of the revenue with negative margins taken by TWA in order to regain entry into stainless steel wagons market. The order has been fully executed during the year. TWA is now working on several strategies to bring down the cost of production of the above wagons in order to have better margins.
- The order book of the Company as on 31st March 2018 stands at Euro 24 million.

Cimmco Limited (Cimmco)

- Revenue from operations increased to Rs 13,462.01 lakhs from Rs 12,795.63 lakhs in the financial year.
- During the year, there was delay in release of bulk orders by Indian Railways due to which Cimmco did not have wagon orders for major part of the year. However, the bulk order for 1191 wagons worth Rs. 286 crores has been received in the end of December, 2017, execution of which has started from the first quarter of current year.
- Cimmco is L1 in a contract for supply of BTPGLN wagons to Bharat Petroleum Corporation Limited. The approximate value of the tender is Rs. 90 crores.
- Merger of subsidiary engaged in the manufacture of Tractors has been completed and effect of the same given in the books of accounts of Cimmco.
- The results of Cimmco include an exceptional item amounting to Rs. 614.12 lakhs towards impairment of Plant and Machinery and Intangible assets of Tractor business acquired by Cimmco through merger of Titagarh Agrico Private Limited.
- The order book of Cimmco as at the close of the year was Rs. 415 crore, the execution of which has commenced in the Q1 of FY 19 and would be completed in FYE 31/03/2019.

The FY 2017-18 has been a particularly difficult year for our European operation. While TFA (Italy) saw impact of issues mainly arising out of legacy contracts and resultant extraordinary losses, TWA (France) had some technical problems with the bogies and a couple of onerous contracts which adversely impacted the operations during the year. The steps taken to bring back the European operations to normalcy have been taken and the situation is expected to improve in FY18-19 and should be able to get back to normalcy in the year after.

The Indian operations suffered on account of subdued orders which has changed in the last few months. The combined order book of the Indian operations was Rs. 1165 crores as against Rs. 654 crores this time last year (TWL- Rs. 750 crores and Cimmco Rs. 415 crores) and the Indian operations are expected to show a substantial improvement in the current financial year.

Following successful launch of the first ship for Indian Navy and three more planned in the next few months, the Company expects to take its contribution to 'Make in India' endeavours forward by seizing opportunities in the passenger coach and metro segment and will be actively participating in all the tenders that are expected to be launched in India. TFA with its robust design and technology strength would enable the Company to play key role in Passenger Rolling Stock segment.

Industry overview of Business Segments

Wagons and Coaches

India has the world's fourth largest railway network comprising 119,630 kilometres of total track and 92,081 kilometres of running track over a route of 66,687 kilometres (by the end of FY16). The Indian Railways have a fleet of more than 2.51 lac wagons, 70,241 coaches and 11,112 locomotives. The traffic carried by the Indian Railways can be split into two segments: passenger and freight.

Construction of the Eastern and the Western Dedicated Freight Corridors will lead freight volumes to more than double to 2,165 million tonnes by FY 2020. Increasing carrying capacity, cost effectiveness and improved quality of service will escalate railway's share of freight movement from 35% to 50% by 2020.

(Source: www.indianrailways.gov.in)

Government policy on rail network operations, cessation of providing fee supply items causing enhanced working capital requirement, unhealthy competition are some of the major challenges.

Outlook

The Government has set aside a sum of Rs. 8,56,020 crore to carry out medium-term structural reforms as well as infrastructure development such as electrification and expansion of the existing network, improving safety, increasing its fleet of rolling stock, providing for high speed rail and freight corridors and providing better passenger amenities. The Government of India has decided to create a Rs. 30,000 crore Rail India Development Fund (with assistance from World Bank). This will support commercially viable investment in the railway sector in India over the next seven years. The Indian Railways aims to be the engine for India's economic growth and development by aiming to earn gross revenues worth $44.5 billion by FY20.

The Ministry of the Railways has announced its decision to procure wagons in bulk and as per reports available is in the process of finalizing tender for 22000 wagons shortly. This is a major positive development for the industry.

Metro railways

Metro trains are rail-based mass rapid transit systems that operate on a privileged right-of-way – either underground or elevated over street level, separated from all other modes of transport in an urban area. Currently, there are eight operational metro systems in India. As of September 2016, India had 324 km of operational metro lines in the cities of Delhi and NCR, Gurgaon, Kolkata, Chennai, Bengaluru, Jaipur and Mumbai. A further 520-km-long lines are under construction and a further 553-km are under consideration. There has been a rapid increase in the expansion of urban mass transportation systems across India thanks to continued support from the Central and State Governments and multi-lateral development agencies.

Metro rail system enables large-scale, rapid and low-cost movement of people while causing very little pollution as compared to conventional modes of transport, only 35-40% in India's metropolitan cities have a metro rail network and Metro rails can also serve in old, congested and thickly populated areas where traffic is a major challenge

Making available the land for laying tracks, very large project expenditure, infrastructural issues are some of the major threats in Metro Coaches segment.

Outlook

Given rising urbanisation and increasing population levels in India, implementation of metro rail systems will become imperative as mass rapid transit systems are the best way to decongest traffic. The implementation of the 2017 Metro Rail Policy also augurs well for the sector.

Shipbuilding sector overview

The shipbuilding industry has a similar impact on the Indian economy as the infrastructure sector due to higher multiplier effect on investment and turnover (11.6 and 4.2 respectively) and high employment potential due to multiplier effect of 6.4. The shipbuilding industry is strategically important due to its role in national defense, energy security and for developing heavy engineering.As per a Ministry of Defence press release, at present all major warships and submarines under construction are being built at Indian shipyards (both PSU as well as Private Shipyards)

(Source: www.pib.nic.in)

Although the global shipping industry has been witnessing slowdown due to declining demand and overcapacity, the demand for various vessels and barges etc. from the Government establishment/Indian Navy offsets to certain extent the challenge.

Outlook

The revival of the shipbuilding sector is a key part of the Central Government's Make in India initiative. Participation in various tenders is continuing and new orders are expected, though gradually on the basis of the 10-year policy package. The Central Government is targeting to increase India's share of the global shipbuilding industry from current levels of 0.45% to 5% by 2020.

Discussion on Financial Performance with respect to Operational Performance

Continuing focus of the management is consistently on undertaking better manufacturing processes, improved productivity and optimization of resources for improvement in performance aimed at achieving results better than the trend witnessed in the industries in which the Company operates. Viewed in this backdrop, the Company's performance for the year under review is considered to be in line with the circumstances prevailing.

Overall outlook for the current year

In addition to the healthy order book as on date, the overall order book of the segment is expected to increase with the finalisation of the new wagon tender for 22000 wagons announced by the IR. Also on the other hand the demand

Information given in this Report on Industry has been sourced from various websites on the World Wide Web from private sector has seen a sharp increase. The Company has been able to book large orders from the private sector and continues to receive the enquiries due to increase in demand.

The Company's strategy on diversification as part of its risk management, has started to yield results as is manifested in reasonable growth in business of other verticals viz. Shipbuilding, Specialised Equipment & Bridges etc.

Your Company is set to technically qualify in the Mumbai Metro tender and the result of the price bid would be announced in the next 3-4 months. The participation is in consortium with Titagarh Firma SpA- wholly owned subsidiary of the Company in Italy, who will provide the technology.

More orders in the other verticals viz. Defence and shipbuilding are being pursued aggressively and steps have already been taken for addressing the challenges faced by your Company's overseas subsidiaries.

Overall the outlook for the current financial year is reasonably encouraging.

3. Dividend

The Board of Directors at its meeting held on 29th May, 2018 has recommended dividend of Fifteen percent i.e. Re 0.30 per equity share of Rs. 2/- each fully paid up for the Financial Year ended 31st March, 2018 subject to declaration by shareholders at the ensuing Annual General Meeting.

4. Employee Stock Options Scheme/Change in Share Capital

Pursuant to approval of the shareholders, Nomination and Remuneration Committee (also functioning as Compensation Committee) at its meeting held on March 4, 2015 in accordance with the TWL Employees Stock Options Scheme, 2014 (ESOS) granted to the eligible employees 5,00,000 options to be converted into equivalent number of equity shares of Rs.2/- each fully paid as per the ESOS.

Options resulting in 33,750 Equity shares, 6,000 Equity shares and 48,750 equity shares allotted on May 19, 2017, August 28, 2017 and March 16, 2018 respectively to the eligible employees upon exercise by them in conformity with ESOS led to increase in the paid up equity share capital to Rs.23,10,00,740/- as at 31st March, 2018 consisting of 11,55,00,370 equity shares of Rs. 2/-each fully paid up. Further, 15,950 equity shares were allotted on 20th June, 2018 which increased the paid up equity share capital to Rs. 23,10,32,640/- consisting of 11,55,16,320 equity shares of Rs. 2/- each fully paid up. The equity shares so allotted rank pari-passu with the existing equity shares of the Company.

The disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 have been placed on the corporate website of the Company www.titagarh.in

5. Material Changes and Commitments after the balance sheet date:

No material changes and commitments have occurred since the date of close of the financial year, to which the financial statements relate, till the date of this report, which might affect the financial position of the Company.

6. Investor Education Protection Fund (IEPF)

As stipulated by the applicable provisions of the Companies Act, 2013 read with IEPF (Accounting, Audit, Transfer & Refund) Rules, 2016 ('the IEPF Rules') all unpaid or unclaimed dividend required to be transferred by the Company to the IEPF has been/ shall be transferred, details whereof are provided on the Company's website: www.titagarh.in.

In accordance with the provisions of Section 124(6) of the Companies Act, 2013 read with the Rules made thereunder, the Company had executed and submitted the necessary documents for transfer of 19,607 equity shares of Rs. 2/- each, to the demat account of IEPF Authority, on 29th November 2017, in respect of which dividend had not been claimed by the members for seven consecutive years or more as on the cut-off date, i.e. 31st October, 2017. The Company has initiated necessary action for transfer of shares in respect of which dividend has not been claimed by the members consecutively since FY 2010-11.

7. Transfer to Reserves

There being no surplus, no amount is proposed to be transferred for the year under review to the general reserve.

8. Risk Management, Risks and Concerns

A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance has been adopted. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation.

Risk management is an integral part of the Company's risk management policy adopted by the Board with periodic review by the Audit Committee and the Board. Prudence and conservative dealing with risks is at the core of risk management strategy being followed by the Company. The risks, both internal and external to which the Company is exposed to include macro-economic, regulatory, strategic, financial, operational, value chain, human resources etc. and each of them is taken into consideration for development and maintaining of a robust mechanism for mitigation which is evolving with time and circumstances within which the Company operates.

9. Subsidiary Companies and Joint Venture

A report containing the details required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8(1) of the Companies (Accounts) Rules, 2014 in respect of performance and financial position for the financial year ended March 31, 2018, of subsidiaries: Cimmco Limited ("Cimmco"), Titagarh Capital Private Limited, Titagarh Wagons AFR, France, Titagarh Singapore Pte. Ltd., Singapore; and Titagarh Firema SpA and Joint Venture Company: Matiere Titagarh Bridges Private Limited included in the Consolidated Financial Report (CFS) in the Form AOC-1 is annexed to this Report and marked as **Annexure DR-1**. The CFS is attached to this Annual Report.

The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, by an Order passed on 16th October, 2017 under Sections 230 and 232 of the Companies Act, 2013, sanctioned the Scheme of Amalgamation of Titagarh Agrico Private Limited ("TAPL") with Cimmco Limited w.e.f. the Appointed Date: 1st April, 2016. Upon filing the said Order with the Ministry of Corporate Affairs on 14th November, 2017, TAPL,which was earlier the Company's subsidiary, has been amalgamated with Cimmco and has therefore ceased to be a subsidiary of the Company.

A joint venture Company: Titagarh Mermec Private Limited has been set up in India on 18th July, 2018 with equal stake in its equity of Mermec SpA, Italy (Mermec) and your Company, for marketing, manufacturing and selling diagnostic and signalling systems for railway infrastructure and auxiliary products and equipment parts related thereto in the Territories viz. India, Nepal, Bangladesh, Myanmar, Bhutan, Sri Lanka and any other market with credit line from India.

10. Extract of Annual Return

The details forming part of the extract of the annual return in the Form MGT-9 are uploaded on the website of the Company www.titagarh.in (http://titagarh.in/annual-reports.php). The same is also annexed with this report marked as **Annexure DR-2**.

11. Number of Board Meetings

The Board of Directors met Seven (7) times during the financial year 2017-18 as per the details provided in the Corporate Governance Report forming part of Annual Report.

12. Loans, Guarantee and Investments

Particulars of loans, guarantees and investments made by the Company pursuant to the Section 186 of the Act are furnished under notes to financial statements. The Company has been informed that the said loan, guarantee and security are proposed to be utilised by each recipient for its general business/corporate purposes.

13. Significant and Material orders

There were no material/significant orders passed by any regulator/tribunal impacting the going concern status and the Company's operations in future.

14. Composition of Audit Committee

The Audit Committee constituted by the Board has Shri D N Davar as Chairman and Shri Sunirmal Talukdar, Shri Manoj Mohanka and Shri Ramsebak Bandyopadhyay as the members. Further details are provided in the Corporate Governance Report.

During the year all recommendations made by the Audit Committee were accepted by the Board.

15. Related Party Transactions

All Related Party Transactions (RPTs) are entered into by the Company pursuant to compliance with the applicable laws and also in accordance with the policy adopted by the Board. Audit Committee reviews and approves all the RPTs as stipulated by the SEBI (LODR) Regulations, 2015 and based thereon final approval of the Board is obtained. The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Act and as mentioned in form AOC-2 of the Rules prescribed in the Companies (Accounts) Rules, 2014 under the Act are annexed hereto and marked as **Annexure DR-3**.

16. Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance under

Listing Regulations along with a certificate from a Company Secretary in Practice confirming compliance is annexed to and forms part of the Annual Report.

17. Internal Control System

The Company has system of internal controls and necessary checks and balances so as to ensure

a. That its assets are safeguarded

b. that transactions are authorised, recorded and reported properly; and

c. that the accounting records are properly maintained and its financial statements are reliable.

The Company has appointed external firm of Chartered Accountants to conduct internal audit whose periodic reports are reviewed by the Audit Committee and management for bringing about desired improvement wherever necessary.

18. Vigil Mechanism

A fraud and corruption free environment as part of work culture of the Company is the objective and with that in view a Vigil Mechanism Policy has been adopted by the Board which is uploaded on the web site of the Company at www.titagarh.in. No complaint of this nature has been received by the Audit Committee during the year under review.

19. Internal Complaints Committee

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the further details of which are given in the Corporate Governance Report. No complaint was lodged with the Committee during the financial year 2017-18.

20. Directors and Key Managerial Personnel

Shri Shekhar Datta, Independent Director, resigned from the Board of Directors with effect from 31st July, 2017.

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), the Board had appointed Shri Ramsebak Bandyopadhyay, Mr. Vincenzo Soprano and Shri Atul Joshi as Additional Directors of the Company w.e.f. 10th August, 2017, 28th October, 2017 and 24th January, 2018 respectively, pursuant to the provisions of Section 161 of the Act.

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 10th August, 2018 has recommended to the members to pass the necessary resolutions at the ensuing 21st Annual General Meeting for the appointment of Shri Ramsebak Bandyopadhyay and Shri Atul Joshi as the Independent Directors of the Company and the re-appointment of Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar as Independent Directors for a further term of 5 (five) years w.e.f. April 1, 2019.

Smt. Rashmi Chowdhary, Non-Executive Director, retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

The information prescribed by SEBI (LODR) Regulations, 2015 in respect of the above named Directors is given in the Notice of Twenty First Annual General Meeting.

During the year under review, there was no change in the Key Managerial Personnel of the Company.

21. Evaluation of the Board's performance, Committee and Individual Directors

In compliance with the Act and SEBI (LODR) Regulations, 2015, the performance evaluation of the Board, Committees and Individual Directors was carried out during the FY 2017-18 as per the details set out in Corporate Governance Report.

22. Declaration by Independent Directors

Declarations pursuant to the Sections 164 and 149(6) of the Act and SEBI (LODR) Regulations, 2015 and affirmation of compliance with the Code of Conduct as well as the Code for Regulation of Insider Trading adopted by the Board, by all the Independent Directors of the Company have been made.

23. Remuneration Policy and remuneration

A policy approved by the Nomination and Remuneration Committee and adopted by the Board is practiced by the Company on remuneration of Directors and Senior Management Employees, as per the details set out in the Corporate Governance Report.

24. Directors' Responsibility Statement

The Directors state that:

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2018 had been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;

- The directors had selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the Annual Accounts on a going concern basis; and
- The directors had laid down internal financial controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Statutory Auditors

Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (FRN 304026E/E-300009), were appointed as Statutory Auditors of the Company at the 20th AGM until the conclusion of 25th AGM, subject to ratification of their appointment at the AGM every year. In view of the amendment under the provisions of section 139 of the Companies Act, 2013, ratification of appointment is proposed to be dispensed away with.

The Auditors' Report on the standalone financial statement for the year ended 31st March, 2018 does not contain any qualification, reservation or adverse remark.

26. Consolidated Financial Statements

In accordance with IND-AS24 issued by the Institute of Chartered Accountants of India, consolidated financial accounts prepared on the basis of financial statements received from subsidiary companies as approved by their respective Boards, form part of this Report & Accounts.

As regards the qualified opinion expressed by Statutory Auditors in their Report, the Note No. 7(a) in the Notes on Accounts is self-explanatory, requiring no specific response from the Directors at this stage, however the recoverable amount aggregating Rs. 854.81 lakhs is subject to ongoing legal proceedings which are being closely monitored and expedited to the extent within the Company's control.

27. Cost Auditors

M R Vyas & Associates, Cost Accountants, have been reappointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2018-19 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2018 would be filed as stipulated by the applicable provisions of law. The Company is maintaining the accounts and cost records as specified by the Central Government under the provisions of Section 148(1) of the Act.

28. Secretarial Auditor

Secretarial Audit has been conducted by Vanita Sawant & Associates, Practicing Company Secretaries appointed by the Board and their report is annexed hereto and marked as **Annexure DR-4**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

29. Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2018.

30. Particulars of Remuneration of Directors/KMP/ Employees

Disclosure pertaining to Remuneration and other details as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) is annexed and marked as **Annexure DR-5**. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10.30 A.M. to 1 P.M. on all working days upto the date of ensuing AGM. Should any member be interested in obtaining a copy including through email (corp@titagarh.in), may write to the Company Secretary at the Company's Registered office.

Human Resources

A. Empowering the employees

The Company considers its organizational structure to be evolving consistently over time while continuing with its efforts to follow good HR practices. Adequate efforts of the staff and management personnel are directed on imparting continuous training to improve the management practices.

B. Industrial Relations

Industrial relations at all sites of the Company remained cordial.

C. No. of Employees:

Manpower employed as at March 31, 2018 was 512.

31. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement pursuant to Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to and marked as **Annexure DR-6**.

32. Corporate Social Responsibility

A report on Corporate Social Responsibility (CSR) activities undertaken during the financial year ended March 31, 2018 pursuant to the provisions of Section 135 of the Act and rules made thereunder is annexed to this Board's Report and marked as **Annexure DR-7**.

Apart from the above, the Company makes, inter alia, donations to the charitable institutions directly and through philanthropic organisations engaged in providing medical, education and other reliefs to the economically weaker sections of the society. Industrial Training Institute (the "ITI") set up on the Company's land at Titagarh plant situate in Barrackpore, North 24 Parganas under Private Public Partnership (PPP) is yet another area. The ITI with access to the requisite infrastructure provided by the Company imparts hands-on training to the local people. A large number of students in various batches have passed and significant number of them are engaged in various jobs in the industry. The ITI has been recognised by the State Government as one of the best in the country and it caters to the requirement of skilled workmen by industrial units.

33. Listing

The Company's Equity Shares are listed at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year ending on March 31, 2019 have been duly paid.

34. Compliance with Secretarial Standars

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

35. Forward Looking Statement

The statements in this report describing the Company's policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risks and Concerns" herein above and subsequent developments, information or events.

36. Acknowledgement

The Directors place on record their appreciation of the cooperation and support extended by the Government, Banks/Financial Institutions and all other business partners and the services rendered by the employees.

For and on behalf of the Board

Kolkata
August 10, 2018

J P Chowdhary
Executive Chairman

Annexure DR - 1

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part - A : Subsidiaries

Sl. No.	1	2	3	4	5	6
Name of the subsidiary	Titagarh Capital Pvt. Ltd.	Titagarh Agrico Pvt. Ltd.	Cimmco Limited	Titagarh Firema Spa, Italy	Titagarh Wagons AFR France	Titagarh Singapore Pte Ltd
Date since when subsidiary was acquired	13.10.2008	24.08.2012	16.04.2014	30.06.2015	18.06.2010	22.08.2008
Reporting period for the subsidiary concerned, if different from the holding company'sreporting period						
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries		Rs./Lakhs		EURO Rs. 80.6222	EURO Rs. 80.6222	EURO Rs. 80.6222
Share capital	4000.00	See Note 1	2734.85	7115.70	5652.99	12741.98
Reserves & surplus	(1449.49)		13423.98	8954.43	1446.77	(486.09)
Total assets	3096.92		36292.95	124160.86	31608.78	42515.01
Total Liabilities	3096.92		36292.95	124160.86	31608.78	42515.01
Investments	1500.00		0.25	–	–	23069.20
Turnover	211.37		13462.01	58030.89	28602.12	–
Profit before taxation	2.63		(2370.17)	(9483.15)	(4405.64)	(114.96)
Provision for taxation	0.87		(38.35)	(1459.75)	(102.03)	(23.70)
Profit after taxation	1.76		(2331.82)	(8023.40)	(4303.61)	(91.26)
Proposed Dividend	–		–	–	–	–
% of shareholding	100.00		81.41	100.00	100.00	100.00

Notes:

1. The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, by an Order passed on 16th October, 2017 under Sections 230 and 232 of the Companies Act, 2013, had sanctioned the Scheme of Amalgamation of Titagarh Agrico Private Limited ("TAPL") with Cimmco w.e.f. the Appointed Date: 1st April, 2016. Upon filing the said Order with the Ministry of Corporate Affairs on 14th November, 2017, TAPL- earlier a subsidiary of the Company, has been amalgamated with Cimmco and has therefore ceased to be a subsidiary of the Company.
2. Names of subsidiaries which are yet to commence operations: Nil
3. Names of subsidiaries which have been liquidated or sold during the year: Nil
4. The above numbers have been taken from Standalone Financial Statements of the respective subsidiaries. (The above does not include any inter Company eliminations).

Part – “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	1
Name of Associates/ Joint ventures	Matiere Titagarh Bridges Private Limited
1. Latest audited Balance Sheet Date	31/03/2018
2. Date on which the Associate or Joint Venture was associated or acquired	02/01/2017
3. Shares of Associates or Joint Ventures held by the company on the year end:	
No.	7,54,882
Amount of investment in Associates or Joint Ventures	Rs. 75.49 Lakhs
Extent of Holding (in percentage)	50%
4. Description of how there is significant influence	50% of the paid up Equity capital is held by the Company
5. Reason why the associate/ joint venture is not consolidated	N.A.
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. 37.35 Lakhs
7. Profit/ Loss for the year	Rs. (64.72) Lakhs
i. Considered in Consolidation	Rs. (32.36) Lakhs
ii. Not Considered in Consolidation	Rs. (32.36) Lakhs

Notes :

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

Annexure DR - 2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L27320WB1997PLC084819
2	Registration Date	03.07.1997
3	Name of the Company	Titagarh Wagons Limited
4	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5	Address of the Registered office and contact details	756, Anandapur, E M Bypass, Kolkata -700107 Contact: +91 33 40190800, Fax: +91 33 40190823 E Mail: corp@titagarh.in
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computer Share Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032 Telephone: +91 040 6716 2222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated (Based on Audited Financial Results 2017-18)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wagons & Coaches	3020	73.49
2	Specialized Equipments & Bridges	4210	13.11
3	Shipbuilding	3011	11.11

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Names and Address of Company	CIN	Holding/Subsidiary/ Associate	Percentage of Shares held	Applicable Section
1	Titagarh Capital Private Limited 756, Anandapur, E M Bypass Kolkata- 700107	U01122WB1994PTC138832	Subsidiary	100.00%	2(87)
2	Titagarh Singapore Pte Ltd 391B Orchard Road #23-01 Ngnee Ann City Tower-B, Singapore-238874	Company incorporated outside India	Subsidiary	100.00%	2(87)
3	Titagarh Wagons AFR 12 rue de la Chaussee d Antin Paris-750009	Company incorporated outside India	Subsidiary	100.00%	2(87)
4	Titagarh Agrico Private Limited 756 Anandapur, E.M Bypass Kolkata-700107 (since merged with Cimmco Limited w.e.f. 14/11/2017)	U74999WB2012PTC177154	Subsidiary (Upto 14/11/2017)	100.00%	2(87)
5	Cimmco Limited 756, Anandapur E M Bypass Kolkata- 700107	L28910WB1943PLC168801	Subsidiary	81.41%	2(87)
6	Titagarh Firema SpA Caserta Via Provinciale Appia 8/10, Localita Pontecelice Rome (Italy)	Company incorporated outside India	Subsidiary	100.00%	2(87)
7	Matiere Titagarh Bridges Pvt. Ltd.	U28900WB2017PTC218811	Joint Venture Company	50.00%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/HUF	31168175	Nil	31168175	27.01	31168175	Nil	31168175	26.99	(0.02)
b. Central Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bodies Corp.	21682820	Nil	21682820	18.79	21670165	Nil	21670165	18.76	(0.03)
e. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. Any other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(1)	**52850995**	**Nil**	**52850995**	**45.79**	**52838340**	**Nil**	**52838340**	**45.75**	**(0.04)**
2. Foreign									
a. NRI-Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Other Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. Body Corporate	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Any Other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(2)	**Nil**	**Nil**	**Nil**	**N.A**	**Nil**	**Nil**	**Nil**	**N.A**	**N.A**
Total Shareholders of Promoters (1+2)	**52850995**	**Nil**	**52850995**	**45.79**	**52838340**	**Nil**	**52838340**	**45.75**	**(0.04)**
B. Public Shareholding									
1. Institution									
a. Mutual Funds	17071825	Nil	17071825	14.79	11428781	Nil	11428781	9.90	(4.89)
b. Bank/FI	627118	Nil	627118	0.54	537253	Nil	537253	0.47	(0.07)
c. Cent. Govt./ State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Venture Capital	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Insurance Co.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. FIIsNil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A.	
g. Foreign Portfolio Corporate	4819545	Nil	4819545	4.18	5489058	Nil	5489058	4.75	0.57
h. Foreign Venture Capital Fund	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
i. Others	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub Total B(1)	**22518488**	**Nil**	**22518488**	**19.51**	**17455092**	**Nil**	**17455092**	**15.11**	**(4.40)**
2. Non-Institution									
a. Body Corp									
(i) Indian	5495117	Nil	5495117	4.76	7392025	Nil	7392025	6.40	(0.33)
(ii) Overseas	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Individual									
i. Individual Shareholders holding nominal share capital up to Rs. 1 Lakh.	23709916	41880	23751796	20.58	28755844	25225	28781069	24.92	4.79

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.	3623808	Nil	3623808	3.14	6631859	Nil	6631859	5.74	0.07
C. Others									
(i) NBFCs registered with RBI	70110	Nil	70110	0.06	50089	Nil	50089	0.04	0.20
(ii) Clearing Members	367633	Nil	367633	0.32	251886	Nil	251886	0.22	0.07
(iii) Foreign Bodies	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(iv) Foreign Bodies Corporate	5323200	88060	5411260	4.69	Nil	88060	88060	0.08	4.69
(v) Non Resident Indians	1319553	60	1319613	1.14	1985390	Nil	1985390	1.72	0.43
(vi) Trust	3050	Nil	3050	Nil	1950	Nil	1950	0.00	N.A.
(vii) IEPF	Nil	Nil	Nil	Nil	19607	Nil	19607	0.02	
(viii) Beneficial Holdings under MGT-4	Nil	Nil	Nil	Nil	5003	Nil	5003	0.00	
Sub-Total-B(2)	**39912387**	**130000**	**40042387**	**34.69**	**45093653**	**113285**	**45206938**	**39.14**	**9.47**
Net Total (1+2)	**62430875**	**130000**	**62560875**	**54.20**	**62548745**	**113285**	**62662030**	**54.25**	**0.32**
c. Shares held by Custodian for GDRs & ADRs	**Nil**	**Nil**	**Nil**	**N.A**	**Nil**	**Nil**	**Nil**	**N.A**	**N.A**
Grand Total(A+B+C)	**115281870**	**130000**	**115411870**	**100.00**	**115387085**	**33224101**	**115500370**	**100.00**	

(ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Titagarh Capital Management Services Private Limited	21670165	18.78	Nil	21670165	18.76	Nil	Nil
2	Smt. Savitri Devi Chowdhary	18116035	15.70	Nil	18116035	15.68	Nil	(0.02)
3	Smt. Rashmi Chowdhary	12816105	11.10	Nil	12816105	11.10	Nil	Nil
4	Shri J P Chowdhary	156540	0.14	Nil	156540	0.13	Nil	(0.01)
5	Shri Umesh Chowdhary	77530	0.07	Nil	77530	0.07	Nil	Nil
6	Tecalemit Industries Limited	12655	0.01	Nil	Nil	Nil	Nil	(0.01)
7	Smt.Vinita Bajoria	80	0.00	Nil	80	0.00	Nil	Nil
8	Smt. Sumita Kandoi	85	0.00	Nil	85	0.00	Nil	Nil
9	Smt. Bimla Kajaria	1800	0.00	Nil	1800	0.00	Nil	Nil
	Total	**52850995**	**45.79**	**Nil**	**52838340**	**45.75**	**Nil**	**(0.04)**

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	52850995	45.79	52850995	45.79
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	12,655 shares were sold by Tecalemit Industries Limited on 25.04.2017	(0.01)	52838340	45.75
3.	At the End of the year	52838340	45.75	52838340	45.75

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.17		Shareholding at the end of the year 31.3.18	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	HDFC TRUSTEE COMPANY LIMITED – HDFC PRUDENCE FUND	6151556	5.33	6151556	5.33
2.	GE CAPITAL INTERNATIONAL (MAURITIUS)	5322200	4.61	Nil	Nil
3.	RELIANCE CAPITAL TRUSTEE CO LTD – A/C RELIANCE MID & SMALL CAP FUND	3106190	2.69	Nil	Nil
4.	TATA AIA LIFE INSURANCE CO LTD – WHOLE LIFE MID CAP	1755572	1.52	Nil	Nil
5.	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	1587062	1.38	1665402	1.44
6.	HDFC SMALLCAP FUND	1509045	1.30	1509045	1.31
7.	L & T MUTUAL FUND TRUSTEE LTD – L & T TAX ADVANT	956282	0.83	Nil	Nil
8.	AKASH BHANSALI	1435745	1.24	1435745	1.24
9.	HDFC TRUSTEE COMPANY LTD – HDFC CORE AND SATELLITE	1755900	1.52	1755900	1.52
10.	AADI FINANCIAL ADVISORS LLP	346520	0.30	1082694	0.94
11.	HDFC TRUSTEE COMPANY LIMITED – HDFC CAPITAL BUILDER FUND	1005900	0.87	1005900	0.8713
12.	LATA BHANSHALI	Nil	Nil	965000	0.8358
13.	MEENU BHANSHALI	Nil	Nil	820312	0.7105
14.	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	471257	0.40	608236	0.5268

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.17		Shareholding at the end of the year 31.3.18	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri J P Chowdhary	156540	0.14	156540	0.14
2.	Shri Umesh Chowdhary	77530	0.07	77530	0.07
3.	Smt. Rashmi Chowdhary	12816105	11.10	12816105	11.10
4.	Shri Sudipta Mukherjee	5000	Nil	12500	0.01
5.	Shri Anil Kumar Agarwal	5000	Nil	25000	0.02
6.	Shri Dinesh Arya	2500	Nil	12500	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs/Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4335.07	Nil	Nil	4335.07
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (1+2+3)	**4335.07**	**Nil**	**Nil**	**4335.07**
Change in Indebtedness during the financial year				
+Addition	9905.96	–	–	9905.96
-Reduction	4324.73	–	–	4324.73
Net Change	5581.23	–	–	5581.23
Indebtedness at theend of the financial year				
i) Principal Amount	9916.30	–	–	9916.30
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total of (1+2+3)	**9916.30**	**–**	**–**	**9916.30**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	2,57,28,000/-	2,57,28,000/-	36,14,568/-	5,50,70,568/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	4,58,142/-	4,58,142/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	24,05,606/- (7500 Equity Shares)	24,05,606/-
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify…	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	**2,57,28,000/-**	**2,57,28,000/-**	**64,78,316/-**	**5,79,34,316/-**
	Ceiling as per the Act				

Note : Shri J P Chowdhary and Shri Umesh Chowdhary have not drawn any remuneration from any of the subsidiary companies.

B. Remuneration to other directors:

Rs.

Particulars of Remuneration	Name of Directors Independent Directors						Total Amount
	Shri D N Davar	**Shri Manoj Mohanka**	**Shri Shekhar Datta***	**Shri Sunirmal Talukdar**	**Shri Ramsebak Bandyopadhyay**	**Shri Atul Joshi**	
Fee for attending board committee meetings:	7,60,000/-	8,40,000/-	Nil	6,80,000/-	4,40,000/-	1,20,000/-	
Commission	Nil	Nil	Nil	Nil	Nil	Nil	
Others	Nil	Nil	Nil	Nil	Nil	Nil	
Total (1)	**7,60,000/-**	**8,40,000/-**	**Nil**	**6,80,000/-**	**4,40,000/-**	**1,20,000/-**	**28,40,000/-**
Non-Executive Director	**Name of Directors**						
	Smt. Rashmi Chowdhary	**Mr. Vincenzo Soprano**					
Fee for attending board committee meetings:	2,00,000/-	Nil					
Commission	Nil	Nil					
Others	Nil	Nil					
Total (2)	**2,00,000/-**	**Nil**					**2,00,000/-**
Total (B)=(1+2)							**30,40,000/-**
Total Managerial Remuneration							**6,09,74,316/-**
Overall Ceiling as per the Act							

Note: Shri Shekhar Datta resigned from the Board w.e.f. 31st July, 2017. Shri Ramsebak Bandyopadhyay, Mr. Vincenzo Soprano and Shri Atul Joshi were appointed as Directors w.e.f. 10th August, 2017, 28th October, 2017 and 24th January, 2018 respectively

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Rs.

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Shri Anil Kumar Agarwal (CFO)	Shri Dinesh Arya (CS)	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	52,33,734/-	26,31,776/-	78,65,510/-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	24,05,606/-	13,23,018/-	37,28,624/-
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify…	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	**76,39,340/-**	**39,54,794/-**	**1,15,94,134/-**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

For and on behalf of the Board
J P Chowdhary
Executive Chairman

Kolkata
August 10, 2018

Annexure DR - 3

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

   Not Applicable.

2. Details of material contracts or arrangement or transactions at arm's length basis

SI No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
1	Cimmco Limited [Related party as per section 2(76) (viii) of the Companies Act, 2013]	Continuing Contract for sale/ purchase of goods/ materials in the ordinary course of business with a ceiling of supply value of Rs. 60 crore per year	Three years w.e.f. 24th May, 2017	Upto Rs. 60 crore on the following terms and conditions: a) Delivery terms: Ex-works of supplier b) Freight charges: To be paid by purchaser c) Packing and Loading charges: To be paid by supplier d) Payment: Within 30 days e) Amount payable will include all applicable taxes. f) Other terms and conditions as may be mutually agreed by TWL and Cimmco g) The terms and conditions stated above are standard in nature and subject to mutually agreed modifications in accordance with purchase order/requisition.	19.05.2017	Nil

For and on behalf of the Board
J P Chowdhary
Executive Chairman

Kolkata
August 10, 2018

Annexure DR - 4

To
The Board of Directors
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur, E M Bypass
Kolkata 700 107

Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

For The Financial Year 2017-18

Foreword

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Titagarh Wagons Limited, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (NA);

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable as the Company has not issued and listed any debt securities during the financial year under review); and

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review);

(vi) The other laws applicable specifically to the auditee company as per the representations made by the Management.

a. Factories Act, 1948 and all allied State laws
b. The Environment (Protection) Act, 1986
c. Water (Prevention & Control of Pollution) Act, 1974 & Water (Prevention & Control of Pollution) Rules, 1975
d. Air (Prevention & Control of Pollution) Act, 1981 & the rules and standards made thereunder.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Bombay Stock Exchange & National Stock Exchange;

During the period under review, based on our examination and verification of the books, papers, minute books, forms and returns filed and other records produced to us and according to information and explanations given to us by the Company, we report that the Company has in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc., subject to the following observations: NIL

We report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

Based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that:

During the audit period, the Company has effected the following activities/ events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- Mr. S Datta resigned as an Independent director. Mr. R Bandyopadhyay and Mr. Atul Joshi were appointed as Independent Directors, while Mr. Vincenzo Soprano was appointed as a Non-Executive Director.
- Decided to pay upto 1% of the net profits as commission to Non-Executive Directors
- Constituted an Asset Disposal Committee
- Entered into a Marketing arrangement with Matiere Titagarh Bridges Pvt, Ltd.
- Entered into a Joint Venture Agreement with Mermec S.p.A, Italy.

For and on behalf of
Vanita Sawant & Associates
Practising Company Secretary

Vanita Sawant
Proprietress
FCS 6210. CP No. 10622

Mumbai
May 31, 2018

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

Annexure A to Secretarial Auditor Report

To
The Members
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur
E M Bypass
Kolkata 700 107

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to check whether correct facts are reflected in secretarial records. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Vanita Sawant & Associates
Membership No: 6210
Certificate of Practice No: 10622

Mumbai
31st May, 2018

Annexure DR - 5

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Shri J P Chowdhary, Executive Chairman	137.15
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	137.15
		c	Shri Sudipta Mukherjee, Wholetime Director	21.56
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Shri J P Chowdhary, Executive Chairman	Nil
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	Nil
		c	Shri Sudipta Mukherjee, Wholetime Director	Nil
		d	Shri Anil Kumar Agarwal, Chief Financial Officer	Nil
		e	Shri Dinesh Arya, Company Secretary	15%
(iii)	The percentage increase in the median remuneration of employees in the financial year			(1.32%)
(iv)	The number of permanent employees on the rolls of the Company			512
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been no increase in the remuneration of managerial personnel and others		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.			

Annexure DR - 6

Particulars required under Section 134(3)(m) read with Rule 8 of the Companies (Acounts) Rules, 2014.

A. CONSERVATION OF ENERGY

i) **Steps taken or impact on conservation of energy :**

a) Energy audit has been conducted and inter alia in accordance therewith-

1. Use of transparent sheets in sheds to utilize sunlight for illumination and thus reducing electrical energy input for illumination.
2. Installation of power saver compressor units replacing old and inefficient compressors.
3. Installation of capacitor bank at load end to reduce Reactive Energy intake and thus improving Power Factor.
4. Welding machines with power savers (inverter base) installed to save power.
5. Use of HSD in DG sets.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

1. Usage of CFL/Energy Efficient lighting system for shop floor illumination.
2. Energy saving units being installed in lighting circuit to reduce consumption by 20%.
3. One power efficient 500 cfm compressor to be installed replacing old and inefficient compressor.
4. System being designed for reduction in No-Load Losses of Welding transformers, by automatically cutting off supply when not in operation.
5. Replacement of rewound and inefficient drives.
6. Water management by delinking industrial and domestic use.

ii) **Steps taken by the Company for utilizing alternate sources of energy :**

The measures taken as above have resulted in saving of non renewable sources of power and energy which are scarce and expensive in the country thereby lowering the cost of production as well as saving the non renewable sources of energy.

iii) **Capital investment on energy conservation equipments :**

Rs. 29.80 Lakhs for the year ended 31st March, 2018.

B. TECHNOLOGY ABSORPTION

i) **Efforts made towards technology absorption**

Techno-commercial activity in advanced stage for development of the following special purpose Wagons:

- Railway Wagons of BCNA-HL specification;
- Roll-on Roll-off Wagons (Ro-Ro);
- Cars on Rail (CoR) Wagons for carrying automobiles;
- Defence Wagons of MBVT specifications.

A highly cost effective 'Break-van' for Freight Container Rake (BLCA) has been designed and the Company has obtained the Patent for 'Ro-Ro' Wagons. Applications submitted for patents pertaining to the 'COR' Wagons for carrying automobiles and 'Break-van' for Freight Container Rake are under consideration of the appropriate authority.

Efforts, in brief, made towards technology absorption, adaptation and innovation:

a) A few critical wagon parts were produced by using specially developed Press Tools. More accurate parts by this innovative process have been achieved. Earlier these parts were produced by Plasma Cutting process.

b) Saving a considerable amount of Man-hours after making a few innovative process changes during the fabrication of wagons has been attended. As a result, re-work was reduced considerably.

c) After the implementation of various innovative press tools, our NBC (IFS) productivity as well as Quality, has been improved substantially.

d) Some of the Hydraulic Tanks required chilling plant from outside sources which are very costly. Own innovative design has been made and two machines in place of Hydraulic Tanks installed. Results were very effective.

ii) **Benefits derived like product improvement, cost reduction, product development or import substitution :**

The benefits from the above are expected to be significant, however, the same can only be ascertained in tangible terms in future.

Future plan of action:

While implementation of the plans described hereinbefore is being pursued, the Company is focused on value addition in the manufacture & marketing of Wagons and Coaches. The Company has already set up an EMU manufacturing facility at its Uttarpara unit and a few rakes of the same have already been despatched.

iii) **In case of Imported Technology (imported during the last three years reckoned from the beginning of the Financial Year) :**

a) The details of the technology imported: A large size VMC has been imported to machine co-co bogies in-house.

b) Year of import : 2009-10

c) Whether the technology has been fully absorbed: Partially absorbed till date.

d) If not fully absorbed, areas where this has not taken place, reasons thereof: Step by step absorption is taking place.

iv) **Expenditure on R & D :**

(Rs. in lakhs)

	2017-18	2016-17
Capital	Nil	Nil
Recurring	37.87	54.10
Total	37.87	54.10
Total R & D expenditure as a percentage of total turnover	0.12%	0.15%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets and export plans :

(i) A Memorandum of Understanding is proposed to be signed with the Government of India's agency RITE International for cooperation in respect of exclusive export market.

(ii) Efforts are being made to secure an order for limestone carrying wagons for Malaysian railway tracks.

b) Total foreign exchange earned and used :

Inflow Rs. 6862.55 Lakhs and outflow Rs. 1731.93 Lakhs.

For and on behalf of the Board
J P Chowdhary
Executive Chairman

Kolkata
August 10, 2018

Annexure DR - 7

Report on CSR Activities

Annual Report on the CSR Activities pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Social Responsibility Policy) Rules, 2014

1. **A brief outline of the Company's CSR Policy:**

   To actively contribute to the social and economic development of the society in which we operate and participate in the endeavor to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. Education is vital for inclusive growth. As the education is the best possible way to attempt achievement of inclusive growth, due emphasis is on setting up/supporting imparting of basic education to the underprivileged sections of society, particularly girl child and differently abled children. In addition to providing medical interventions to the young people suffering from cancer, free health checkups to the elderly and filtered water to the school children, from economically weaker sections of society, providing shelter and care to the street animals are some of the activities approved by the CSR Committee of the Company.

   The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 which can be accessed on the Company's website through the following link: http://titagarh.in/downloads/Policies-and-Codes.pdf.

2. **Composition of CSR Committee:**

Sl. No.	Name	Designation	Category
1	Smt. Rashmi Chowdhary	Chairperson	Non- Executive Director
2	Shri J P Chowdhary	Member	Executive Chairman
3	Shri Umesh Chowdhary	Member	Vice Chairman & Managing Director
4	Shri Sunirmal Talukdar	Member	Independent Director

   Note: Shri D.N. Davar relinquished the Chairmanship and membership of CSR Committee w.e.f. 9th November, 2017.

3. Average net profit of the Company for last three years: Rs. 1481.33 Lakhs
4. Prescribed CSR Expenditure (2% of the amount as in Sl. No. 3): Rs. 29.63 Lakhs
5. Details of CSR spend during the financial year:
   a) Total amount to be spent for the financial year: Rs. 20.17 Lakhs
   b) Amount unspent: Rs. Nil
   c) Manner in which the amount spent during the financial year ended 31/03/2018 is detailed below:

Rs./Lakhs

1	2	3	4	5	6	7	8
Sl. No.	CSR Project of activity identified	Sector in which the project is covered	Projects and Programs 1) Local area or other 2) Specify the state or district where project or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub-heads: 1.Direct Expenditure on projects or programs 2.Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
a)	Jeevan Nirog	Health	– Free health checkups and medicines near Factory premises at Titagarh and Uttarpara	1.50	1.48	1.48	Direct
			– Treatment of Cancer in Kolkata, W.B.	10.50	10.01	11.49	Tata Medical Centre and Disha Foundation
b)	Gyan Jyoti	Education	– Support to Dhankhet School, Bonhooghly, W.B.	6.25	0.00	11.49	Manovikas Kendra
			– Scholarship to meritorious students of Jadavpur University, W.B.	1.40	1.40	12.89	Alumni Association NCE Bengal & Jadavpur University
			– Education, therapy and environment for children of women in prostitution	10.75	10.66	23.55	South Kolkata Hamari Muskan Kolkata WB
			Mid-day meal and school education	5.00	5.00	28.55	Annamrita ISKCON
			School Bags for children	0.35	0.33	28.88	Marudyan, WB
			Rehabilitation of children	3.75	3.63	32.51	Society for Indian Children Welfare
c)	Shail Ganga	Water	Clean, safe and filtered drinking water in schools	5.25	4.24	36.75	Splash
d)	Parvaah	Care	Animal care	3.00	2.51	39.26	Animal Shelter Hospital and Research Institute
			Animal care	0.50	0.35	39.61	Mother's Heart
			Animal care	0.75	1.00	40.61	Animals Comes First
d)	Implementation	All projects	Need assessment study, capacity building programs such as training, workshops, etc. and communication strategies for engagement of all stakeholders to implement	5.00	2.03	42.64	Direct

** The amount budgeted includes the amount of CSR Allocation unspent and brought forward from previous year*

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending in the Board Report: Not applicable.

   The Company has been carrying on philanthropic activities which in terms of the provisions of the Companies Act, 2013 may not be part of CSR, however having supported several economically challenged entities, the Company would carry on with such activities.

   As approved by the CSR Committee and Board, the Company has taken up various CSR interventions in the areas of education including of those differently abled, health and empowerment of children particularly girl-child/women, systems for safe, filtered and clean drinking water in schools, providing environment for children of women in prostitution and animal care etc. in right earnest.

   With the emphasis on interventions and its benefits to reach the most needy persons and right kind of implementation partners, some of the projects take time to be commenced and the relative spend thereon may happen in a year beyond the financial year for which the same was meant to start.

   The CSR Committee and Board members are committed to bringing about the pace in CSR spend without however compromising on the objective of ensuring that the benefits of the same reach the target population i.e. the most deserving ones.

7. The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policies of the Company.

For and on behalf of the Board

Rashmi Chowdhary, Chairperson
CSR Committee

Umesh Chowdhary
Chief Executive Officer and VCMD

Kolkata
August 10, 2018

Corporate Governance Report

Titagarh Wagons Limited (TWL's) Philosophy on Code of Governance

TWL's corporate culture is imbued with high standards of integrity and transparency by adhering to the sound & pragmatic corporate policies laid down by the Board of Directors based on business needs aimed at sustainability maintained by two important principles of 'team-work' and 'professionalism' and value maximisation for the stakeholders is at the core.

Board of Directors

TWL's Board as at March 31, 2018 comprised ten directors including Executive Chairman, Vice Chairman & Managing Director, Wholetime Director being the three Executive Directors, five Independent Directors and two Non-Executive Directors including one Woman Director. The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Managing Director(s), the Wholetime Director and the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders. The composition of the Board and other provisions as to Board and Committees are in compliance with the Listing Regulations. The Independent Directors of the Company fulfil the criteria for "independence" and/or "eligibility" as prescribed under the Listing Regulations and Section 149 of the Companies Act, 2013 (the Act).

None of the directors on the Board is a member of more than 10 committees and/or Chairman of more than 5 committees, reckoned in terms of Regulation 26 of the Listing Regulations. The Independent Directors of the Company do not serve in more than the prescribed number of companies as independent directors in terms of the requirements of the Listing Regulations.

Composition, Attendance at the Board Meetings and the last Annual General Meeting ('AGM'), Outside Directorships and other Board Committees:

Sl. No.	Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 31.07.2017	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships Held		Chairmanship in other Committees Chairman	Membership in other Committees Member
						Total	Listed		
1	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	7	Present	1,56,540	3	1	Nil	Nil
2	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman and Managing Director	6	Present	77,530	3	1	Nil	1
3	Shri Sudipta Mukherjee DIN: 06871871	Wholetime Director	6	Present	12,500	Nil	Nil	Nil	Nil
4	Shri D N Davar DIN:00002008	Independent & Non-executive	7	Present	Nil	8	6	4	4
5	Shri Manoj Mohanka DIN: 00128593	Independent & Non-executive	7	Present	Nil	7	3	Nil	2
6	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-executive	7	Present	Nil	7	3	2	Nil
#7	Shri Shekhar Datta DIN: 00045591	Independent & Non-executive	Nil	Absent	Nil	–	–	–	–
8	Smt Rashmi Chowdhary DIN: 06949401	Non-Independent & Non-executive	5	Present	128,16,105	Nil	Nil	Nil	Nil
# #9	Shri Ramsebak Bandyopadhyay DIN: 01122778	Independent & Non-executive	5	Not Applicable	Nil	3	1	Nil	Nil
## 10	Mr. Vincenzo Soprano DIN: 07975047	Non-Independent & Non-executive	Nil	Not Applicable	Nil	Nil	Nil	Nil	Nil
## 11	Shri Atul Joshi DIN: 03557435	Independent & Non-executive	2	Not Applicable	Nil	3	Nil	Nil	Nil

Notes:

1. Shri Umesh Chowdhary is son of Shri J P Chowdhary. Smt. Rashmi Chowdhary is wife of Shri Umesh Chowdhary.
2. Independent Directors meet with the criteria of their Independence as mentioned in Regulation 25 (3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.
3. Other directorships do not include directorship of Section 8 Companies and of Companies incorporated outside India.

4. Chairmanships/Memberships of Board Committees include Audit and Stakeholders' Relationship Committees only.

\# Shri Shekhar Datta resigned from the Board of Directors of the Companywith effect from 31st July, 2017.

\## Shri Ramsebak Bandyopadhyay, Mr. Vincenzo Soprano and Shri Atul Joshi w.e.f. 10th August, 2017, 28th October, 2017 and 24th January, 2018 respectively.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees of the Board which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification/approval.

Invitees & Proceedings:

Apart from the Board members, the Company Secretary and the CFO are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chairpersons of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board meeting.

Directors' Induction, Familiarization & Training of Board Members:

Pursuant to Regulation 25 (7) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Company is mandatorily required to provide suitable training to the Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. the details of such training imparted are also required to be disclosed in the Annual Report.

The Directors are offered visits to the Company's plants, where plant head makes them aware of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, Sustainability etc.

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, with areas of improvement and other relevant issue.

Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

The details of such familiarization programmes have been placed on the website of the Company under the web link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**

Evaluation of the Board's Performance:

The Board had adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, governance issues etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. Criteria for evaluation of Board is annexed hereto - Annexure CG - 1.

Board Meetings held during the Financial Year Ended the 31st March, 2018

Seven(7) meetings of the Board of Directors were heldin the year 2017 on19th May, 31st July, 10th August, 28th October, 11th November, and 14th February and 16th March, 2018 in the financial year ended March 31st, 2018.

Appointment/Re-appointment of Directors

The details of the directors proposed to be appointed/reappointed at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM and the same should be considered as compliance of Regulation 36 of SEBI (LODR), Regulations, 2015.

Board Committees

Audit Committee

The Audit Committee as at 31st March, 2018 comprises Shri D N Davar, Shri Manoj Mohanka,Shri Sunirmal Talukdar and Shri Ramsebak Bandyopadhyay (all Independent Directors). Shri D N Davar, Ex-Chairman of Industrial Finance Corporation of India who is an expert inter alia in banking, development banking, financial and internal control areas, is the Chairman of the Audit Committee. The Audit Committee at its meetings exercised the role and duties, which had been defined by the Board of Directors pursuant to provisions of the Companies Act read with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Shri Dinesh Arya, Company Secretary acts as Secretary to the Audit Committee.

*Shri Ramsebak Bandyopadhyay was appointed as a member of Audit Committee with effect from 14th February, 2018.

The role and duties of the Audit Committee have been defined by the Board of Directors under Section 177 of the Companies Act, 2013 and cover the areas mentioned under Regulation 18 Part C of Schedule –II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

At least one meeting of the Audit Committee was held in every quarter and the time gap between two consecutive meetings of the Audit Committee did not exceed 120 days during the financial year 2017-18.

Terms of Reference of Audit Committee are broadly as follows:

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the stock exchanges read with Section 177 of the Companies Act, 2013. These broadly include (i) overseeing the financial reporting process (ii) review of financial statements (iii) ensuring compliance with the regulatory guidelines (iv) compliance with listing and other legal requirements concerning financial statements (v) scrutiny of inter-corporate loans and investments (vi) review of internal audit reports(vii) recommending appointment and remuneration of auditors to the Board of Directors and (viii) to review adequacy of internal control systems and internal audit function and other matters specified for Audit Committee under the Listing Regulations and Section 177 of the Act. The Audit Committee also reviews the information as per the requirement of Part C of Schedule II of the Listing Regulations.

Attendance of the Directors at the Audit Committee Meetings held:

During the year 6 meetings of the Audit Committee of the Company were held i.e. on 18th May 2017,10th August 2017, 28 th October 2017, 9th November 2017, 14th February 2018 and 16th March, 2018. The attendance of Directors at these meetings was as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D N Davar	Chairman	6
2	Shri Sunirmal Talukdar	Member	6
3	Shri Manoj Mohanka	Member	6
4	Shri Ramsebak Bandyopadhyay*	Member	2

Shri Ramsebak Bandyopadhyay was appointed as a member of Audit Committee with effect from 14th February, 2018.

The previous Annual General Meeting (AGM) of the Company was held on 31st July, 2017 and was attended by Mr. D N Davar, Chairman of the Audit Committee.

Stakeholders' Relationship Committee

Stakeholders' Relationship Committee which considers and resolves the grievances of the security holders of the Company is headed by Shri Manoj Mohanka, an Independent Director with Shri Sunirmal Talukdar and Shri Umesh Chowdhary being the other two members. Shri D N Davar is a Special Invitee. The attendance at and dates of Stakeholders' Relationship Committee meetings held and the Status of Investors' complaints are as follows:

Attendance at the Stakeholders' Relationship Committee meetings

During the year 4 meetings of the Stakeholders' Relationship Committee of the Company were held i.e. on 19th May, 2017, 10th August, 2017, 9th November, 2017 and 14th February, 2018. The attendance of Directors at these meetings is as under :

Sl No	Name of the Directors	Designation	No of meetings attended
1	Shri Manoj Mohanka	Chairman	4
2	Shri Umesh Chowdhary	Member	4
3	Shri Sunirmal Talukdar	Member	4

In aggregate 90 cases of Investors' Grievances (including routine queries) were received during the Financial Year 2017-18 pertaining to Non-Receipts of Dividend Warrants, Annual Reports, Non-Receipt of Credit of share(s) which were duly redressed in time and no Investors' Grievance is pending as at 31st March, 2018. There was also no Investor complaint pending against the Company as at 31st March, 2018 on SCORES, the web based complaint redressal system of SEBI.

Share transfers and requests for other services are disposed of by the RTA within the time stipulated in the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015. Shri Dinesh Arya, Company Secretary is the Compliance Officer.

All valid requests for transfer of shares in physical mode received during the financial year ended the 31stMarch, 2018have been acted upon by the Company and no such transfer is pending.

Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee (NRC) comprised of Shri D N Davar, Shri Manoj Mohanka, Shri Ramsebak Bandyopadhyay,all Independent Directors and Shri J P Chowdhary, Executive Chairman, and is headed by Shri D N Davar.The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Shri Shekhar Datta ceased to be a member of the NRC upon his resignation from the Board w.e.f. 31st July, 2017. Shri Ramsebak Bandyopadhyay was inducted as a member of NRC w.e.f. 10th August, 2017.

Terms of Reference of NRC are broadly as follows:

The NRC shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and shall be responsible for:

i) Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

ii) Formulation of criteria for evaluation of Independent Directors and the Board;

iii) Devising the policy on Board Diversity;

iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Directors' performance.

Attendance of the Directors at the Nomination & Remuneration Committee Meetings held:

During the year 4 meetings of the NRC of the Company were held i.e. 19th May, 2017, 10th August 2017, 9th November, 2017 and 14th February, 2018.

The attendance of Directors at these meetings are as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D N Davar	Chairman	4
2	Shri Manoj Mohanka	Member	4
3	Shri J P Chowdhary	Member	4
4	Shri Ramsebak Bandyopadhyay*	Member	2

*Shri Ramsebak Bandyopadhyay has been inducted in the Committee w.e.f. 10th August, 2017.

The previous AGM of the Company held on 31st July, 2017 was attended by Shri D N Davar, Chairman of the Committee.

Remuneration Policy

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the prevailing trends in the industry. The remuneration policy therefore is market led and aimed at leveraging the performance appropriately. The remuneration of Non-Executive Directors is decided by the NRC in accordance with the Remuneration Policy of the Company. The Remuneration Policy is attached hereto - **Annexure CG-2**.

The criteria for making payments to Non-Executive Directors have been placed on the website of the Company under the web link: http://titagarh.in/downloads/Policies-and-Codes.pdf

Remuneration of Managing and whole time Directors for the financial year ended the 31st March, 2018 and their shareholding in the Company:

Rs. In lakhs

	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee
Salary and Perquisites	257.28	257.28	36.15
Commission	Nil	Nil	Nil
Total	257.28	257.28	36.15
Stock Option Granted	Nil	Nil	7500 Options of Rs. 2/- each on 19th May, 2017
Period for which appointed by the Board	5 years w.e.f. 08/01/2017	5 years w.e.f. 01/10/2015	5 years w.e.f. 15/05/2014
Appointment by shareholders on	20th AGM on 31/07/2017	18th AGM on 24/09/2015	17thAGM on 11/09/2014
No. of Shares held	156540	77530	12500

Note: Shri J P Chowdhary and Shri Umesh Chowdhary have not drawn any remuneration from any subsidiary company.

Remuneration of Non-Executive Directors :

(Rs. In lakhs)

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Shri D N Davar	7.60	NIL	NIL	7.60
Shri Manoj Mohanka	8.40	NIL	NIL	8.40
Shri Shekhar Datta#	NIL	NIL	NIL	NIL
Shri Sunirmal Talukdar	6.80	NIL	NIL	6.80
Smt. Rashmi Chowdhary	2.00	NIL	NIL	2.00
Shri Atul Joshi	1.20	NIL	NIL	1.20
Shri Ramsebak Bandyopadhyay	4.40	NIL	NIL	4.40
Mr. Vincenzo Soprano	NIL	NIL	NIL	NIL
Total	30.40	NIL	NIL	30.40

Shri Shekhar Datta resigned from the Board of Directors of the Company with effect from 31st July, 2017.

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary, Shri Umesh Chowdhary and Shri Sunirmal Talukdar are the other members. CSR policy adopted by the Board is available on the web site of the Company - **http://titagarh.in/downloads/Policies-and-Codes.pdf**.

Shri D.N. Davar resigned as the Chairman and member of the CSR Committee w.e.f. 9th November, 2017. Shri Sunirmal Talukdar was inducted as a member of the Committee w.e.f. 9th November, 2017.

During the year 2 meetings of the CSR Committee of the Company were held i.e. on 10th August, 2017 and 9th November, 2017.

Attendance of the directors at the Corporate Social Responsibility Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Smt. Rashmi Chowdhary	Chairperson	2
2	Shri D.N.Davar	Chairman #	2
3	Shri J P Chowdhary	Member	2
4	Shri Umesh Chowdhary	Member	2
5	Shri Sunirmal Talukdar	Member	N.A.

Shri D.N. Davar relinquished the Chairmanship and membership of CSR Committee w.e.f. 9th November, 2017.

Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Smt. Paramjeet Walia as Presiding Officer, Smt. Rita Kanjilal, Smt. Elizabeth Banik and Smt. Bina Mooljee (Project Coordinator- Disha Foundation-NGO) are the other members.

There was no complaint of any issue falling under the purview of the Committee during the Financial Year ended March 31st, 2018.

Special Committee

The non-mandatory committees of the Company were merged into Special Committee w.e.f. 29th September, 2016. No Meeting of the Special Committee was held during the financial year ended 31st March, 2018.

Compliance Officer

Shri Dinesh Arya, Company Secretary is the Compliance Officer and acts as the Secretary to all the Committees.

General Body Meetings

Annual General Meetings held during the last three years are as follows:

Year	Annual General Meeting	Venue	Date	Time	No. of Special Resolutions passed
2014-15	18th	Bharatiya Bhasha Parishad 36A Shakespeare Sarani Kolkata-700017	24.09.2015	02.00 P.M	Five
2015-16	19th	Manovikas Kendra, 482, Madudah Plot-I-24, Sector-J, E M Bypass Kolkata-700107	29.09.2016	10.00 A.M	Three
2016-17	20th	Manovikas Kendra, 482, Madudah Plot-I-24, Sector-J, E M Bypass Kolkata-700107	31.07.2017	10.00 A.M	Three

Postal Ballot

During the financial year ended 31st March, 2018, two Postal Ballot exercises were conducted:

Postal Ballot – Resolutions passed on 5th August, 2017

Sl. No.	Description	Votes in favour of the Resolution		Votes against the Resolution	
		No. of Votes	% of Votes	No. of Votes	% of Votes
1	Special Resolution to increase the total amount or the ceiling on aggregate of investment/ loan/security from the present Rs. 1000 crore to Rs. 2500 crore	74462653	97.893	1602875	2.107
2	Special Resolution to authorise investment/ loan/ security to Titagarh Firema Adler SpA, Italy upto a limit of INR equivalent of Euro 110 million within the limit u/s 186 of the Companies Act, 2013 as approved by the shareholders.	23225607	99.996	875	0.004

Salient features of this postal ballot were:

(i) The Board of Directors at its meeting held on 19th May, 2017 appointed Sushil Goyal & Co, Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

(ii) The notice of Postal Ballot was sent to all the Members in electronic form whose email addresses were registered with the Depositories and physical copies were sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope to the members whose email addresses were not registered. The said dispatch was completed on 6th July, 2017.

(iii) The last date of receipt of postal ballot forms was 5th August, 2017.

(iv) The Scrutinizer submitted his Report on 7th August, 2017.

(v) Based on the said Report, the Chairman declared the Result on 7th August, 2017.

Postal Ballot – Resolutions passed on 30th March, 2018

Sl. No.	Description	Votes in favour of the Resolution		Votes against the Resolution	
		No. of Votes	% of Votes	No. of Votes	% of Votes
1	Special Resolution u/s 180(1)(c) of the Companies Act, 2013 to authorise the Board to borrow money(s) not exceeding the aggregate of paid-up share capital, securities premium and free reserves of the Company by more than the sum of Rs. 2000 crore	71577974	99.997	2345	0.003
2	Special Resolution u/s 180(1)(a) of the Companies Act, 2013 to authorise the Board to create mortgage and/or charge on whole or substantially the whole of the undertaking(s) of the Company to secure the borrowings not exceeding the limits approved u/s 180(1)(c) together with interest and costs/charges/expenses.	71576781	99.997	2370	0.003
3	Ordinary Resolution to approve giving of guarantee in favour of IndusInd Bank Limited for securing the credit facilities of Rs. 200 crore granted by the Bank to Cimmco Limited, the Company's subsidiary, within the overall limits of Rs. 2500 crore earlier approved by the members by passing a special resolution u/s 186 of the Companies Act, 2013	17449108	93.107	1291898	6.893

Salient features of this postal ballot were:

(i) The Board of Directors at its meeting held on 14th February, 2018 appointed Sushil Goyal & Co, Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

(ii) The notice of Postal Ballot was sent to all the Members in electronic form whose email addresses were registered with the Depositories and physical copies were sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope to the members whose email addresses were not registered. The said dispatch was completed on 28th February, 2018.

(iii) The last date of receipt of postal ballot forms was 30thMarch, 2018.

(iv) The Scrutinizer submitted his Report on 31st March, 2018.

(v) Based on the said Report, the Chairman declared the Result on 31st March, 2018.

Remote e-voting and ballot voting at AGM

To allow the shareholders to vote on the Resolutions proposed at the AGM, Company has arranged for remote e-voting facility. The Company has engaged Karvy to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on the cut-off date i.e. Saturday, the 22nd day of September, 2018, shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their vote at AGM.

Disclosures

(i) **Related Party Transactions**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2017-18 were in the ordinary course of business and on arm's length pricing basis. Suitable disclosures as required by applicable Accounting Standard have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link:http://titagarh.in/downloads/Policies-and-Codes.pdf

(ii) **Compliance with Accounting Standard**

In the preparation of the financial statements, the Company has followed the Accounting Standards specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

(iii) Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large

Details of transactions with the related parties as specified in applicable Accounting Standard have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

(iv) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years

There was no such instance in the last three years.

(v) Whistle-Blower Policy and affirmation that no personnel has been denied access to the Audit Committee

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. Vigil Mechanism Policy is available on the website of the Company - www.titagarh.in. No grievance has been reported to the Audit Committee during the year.The Board has approved a policy for the same which can be accessed at the Company website link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**.

(vi) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company is compliant with all the mandatory requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for 2017-18.

The following non-mandatory requirement under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which has been adopted is mentioned below:

– The Internal Auditors of the Company directly make presentation to the Audit Committee on their reports.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance with the Code.

Chief Executive Officer's certificate of compliance of the Code of Conduct by the Directors and Senior Management is appended to this Report.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Board has approved and adopted a code of conduct governing all the directors, senior management and other employees at all locations of the Company. Shri Dinesh Arya, Company Secretary has been designated Compliance Officer in respect of compliance of the Code. Code of Conduct is posted on the Company's website.

Code of Conduct for Independent Directors

The Board has adopted the Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Means of Communication

Half-yearly report to shareholders, Quarterly Results, Newspapers in which published, Website etc.

The Quarterly, Half-yearly and Annual Results are published by the Company generally in English (Business Standard and/or Mint) and Vernacular (Aajkal or Ekdin) dailies. Interim Results/reports are not sent to the household of shareholders since the same are posted on the web sites of the Company and BSE and NSE. The address of the Company's web site is www.titagarh.in

General Shareholder Information

Annual General Meeting

Day, Date and Time	:	Saturday, 29th September, 2018 at 3:15 P.M.
Venue	:	Rotary Sadan 94/2, Chowringhee Road Kolkata-700 020
Dividend Payment Date	:	Shall be paid within the statutory time limit (If approved by the members at AGM)
Dates of Book Closure	:	22nd September, 2018 to 29th September, 2018

Financial Calendar

First Quarter Results	:	August, 2018
Second Quarter Results	:	October/November, 2018
Third Quarter Results	:	January/February, 2019
Fourth Quarter Results	:	April/May, 2019

Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the BSE Limited and National Stock Exchange of India Limited (NSE) [Scrip Codes 532966 & TWL (EQ) respectively]. Listing fees for the year 2018-19 have been paid to both BSE and NSE. ISIN for dematerialization is INE 615H01020.

Details of unclaimed shares pursuant to Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015

In accordance with the SEBI (LODR) Regulations, 2015, the Company dematerialized 2774 equity shares of the shareholders who had not responded to the reminder letters issued. Subsequently due to one equity share having been claimed and stock split, the balance in the demat (suspense) account with Karvy Stockbroking Limited was 13,860 equity shares, as at 31st March, 2018.

Ten Equity shares of Rs. 10/- each (post split: 50 equity shares of Rs. 2/- each) of the Company allotted to an individual shareholder in the Initial Public Offer of the Company on April, 9, 2008 could not be credited to his account, both at the beginning and end of the Financial year since operation of the Demat account of the shareholder had been suspended. Despite reminders from the Company the shareholder has not got his account regularized and the voting rights on these shares shall remain frozen till the shareholder concerned claims the shares.

Market Price Data: High/Low in each month of Financial Year

(A) BSE Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
				High	Low
2017					
April	132.65	114.05	5221826	30184.22	29241.48
May	133.4	109.1	5424504	31255.28	29804.12
June	122.45	112	2938245	31522.87	30680.66
July	126.7	114.1	2838933	32672.66	31017.11
August	122.45	105	2204156	32686.48	31128.02
September	130.65	110.05	4293384	32524.11	31081.83
October	144.9	118.75	5449369	33340.17	31440.48
November	187.8	133.2	13649633	33865.95	32683.59
December	189.5	158.45	7146438	34137.97	32565.16
2018					
January	182.15	149.35	6826241	36443.98	33703.37
February	156	125.1	4471779	36256.83	33482.81
March	128.8	105	3552909	34278.63	32483.84

B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	CNX NIFTY	
				High	Low
2017					
April	132.5	114.5	17409261	9367.15	9120.25
May	133.2	109.35	18974089	9649.6	9269.9
June	122.45	112.00	9935142	9698.85	9473.45
July	126.9	114.8	10262448	10114.85	9595.5
August	122.7	105.55	7358754	10137.85	9752.1
September	128.7	111.3	18460856	10178.95	9714.4
October	144.9	124.00	22590340	10384.5	9955.8
November	187.8	132.85	56404336	10490.45	10094
December	189.7	162.2	25886091	10538.7	10061.9
2018					
January	178.4	154.3	25236175	11171.55	10404.65
February	156.45	125.65	19080808	11117.35	10276.3
March	129	106.25	12178759	10525.5	9951.9

Share Transfer System & Registrars and Transfer Agent ('RTA')

The Company has engaged the services of Karvy Computershare Private Limited, as the RTA for both physical and dematerialised share maintenance. Share transfers are generally effected within 15 days of lodgement or such period as may be permissible by law/regulatory authority.

Categories of Shareholding as on the 31st March, 2018

Category	No. of Shares held	% of Total Shares
• **Promoter & Promoter Group**	52838340	45.75
• **Indian Public**		
Mutual Funds & UTI	11028781	9.55
Financial Institutions & Banks	537253	0.47
Private Corporate Bodies	7392025	6.40
Individuals/Others	35889577	31.07
• **Non-Residents**		
Foreign Institutional Investors/ Non-Residents	7562508	6.55
• **Clearing Members**	251886	0.22
TOTAL	**115,500,370**	**100.00**

Dematerialisation of shares and liquidity: 99.90% of total equity shares of the Company have been dematerialised as on 31st March, 2018

Distribution of Shareholding as on 31st March, 2018

Range of Shares	Number of Shares	No. of Shareholders	% to Total Shares
1 to 5000	18054523	69431	15.63
5001 to 10000	4879615	1320	4.21
10001 to 20000	4105926	558	3.53
20001 to 30000	2065180	167	1.79
30001 to 40000	1740959	98	1.51
40001 to 50000	1079117	47	0.93
50001 to 100000	2664710	74	2.31
100001 & above	80910340	89	70.08
TOTAL	**115500370**	**71784**	**100.00**

Subsidiary Companies

In line with the requirements of the listing agreement a policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link: http://titagarh.in/downloads/Policies-and-Codes.pdf.

The Company does not have any material non-listed Indian subsidiary whose networth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or generated 20% of the consolidated income of the Company during the previous financial year.

Plant Locations: The Company's plants are located at :

Wagons Division
P.O.: Titagarh - 700 119
District : 24 Parganas (N), W. Bengal, India
Fax : 91 33 2501 0736

Coaches/Heavy Engineering Division (HED)
Hind Motor-712 233
District : Hooghly, W. Bengal, India
Telephone : 91 33 2664 1755; Fax : 91 33 2664 7333

Steel Castings Division
1 Abdul Quddus Road, Titagarh - 700 119
District : 24 Parganas (N), W.Bengal, India
Telephone : 91 33 2545 7067
Fax : 91 33 2545 7068

Address for Correspondence :
Registered Office :
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur, E. M. Bypass, Kolkata 700 107
Telephone : 91 33 4019 0800
Fax: 91 33 4019 0823
Email : investors@titagarh.in

Registrar & Transfer Agent (RTA) :
Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032, Phone : 91 40 6716 2222, Fax : 91 40 2300 115
Email for Investor complaints : einward.ris@karvy.com

For and on behalf of the Board
J P Chowdhary
Executive Chairman

Kolkata
August 10th, 2018

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2018.

Kolkata
August 10th, 2018

For Titagarh Wagons Limited
Umesh Chowdhary
Vice Chairman and Managing Director

Certificate on Corporate Governance

To
The Members
Titagarh Wagons Limited
756, Anandapur
E M Bypass
Kolkata - 700107

I have examined the compliance of conditions of Corporate Governance by Cimmco Limited for the year ended on 31st March, 2018, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company ensuring for compliance of the conditions of Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance, as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Vanita Sawant & Associates
(Practicing Company Secretary)
Membership No. : 6210
C.P. No. : 10622

Mumbai
August 10th, 2018

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Titagarh Wagons Limited

We have reviewed the financial statements read with cash flow statement of Titagarh Wagons Limited for the year ended on the 31st day of March, 2018 and to the best of our knowledge and belief, we state that:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;

b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

d) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies;

e) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

   iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Kolkata	**Umesh Chowdhary**	**Anil Kumar Agarwal**
10 thAugust, 2018	Vice Chairman and Managing Director & CEO	Chief Financial Officer

ANNEXURE TO CG REPORT

ANNEXURE CG - 1

Criteria For Performance Evaluation of Board & Independent Directors

An effective Board consciously creating a culture of leadership and transparent corporate governance with a long term vision and requisite strategies to enable the Company to become a responsible entity working for maximization of the stakeholders' value while contributing to society is at the core of its approach. Towards this Titagarh Wagons Limited ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

Titagarh Wagons Limited also recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board carries out an annual evaluation of its own performance, as well as the evaluation of the working of its Committees and Individual Directors.

The performance evaluation of all the Directors was carried out by Nomination and Remuneration Committee. The performance evaluation was carried out in accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

Qualification and Criteria of Independence

- The Nomination and Remuneration Committee (NRC) and the Board shall review on an annual basis appropriate skills, knowledge and experience required of the Board as a whole and its individual members.
- NRC shall also assess the independence of the directors at the time of appointment/reappointment and the Board shall assess the same annually.
- The Board shall reassess determinants of independence when any new interest or relationships are disclosed by a Director.
- In evaluating the suitability of the individual members NRC may take into account factors such as, general understanding of the Company's business dynamics, global business and social perspective.

The Board may review and update the criteria from time to time as it may deem appropriate.

ANNEXURE CG - 2

Remuneration Policy

Titagarh Wagons Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Remuneration policy is designed to attract, motivate and retain talented employees in a competitive market.

Therefore, the Remuneration Policy has been formulated with the following objectives and features:

a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees, to run the Company successfully.

b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

d. Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company's financial position as well as with trends in the industry to the extent applicable to the Company.

e. Performance evaluation of the Committees of the Board and Directors including Independent Directors.

f. Ensuring Board Diversity.

g. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.

Policy Relating to Remuneration Of Directors, KMP & Senior Management Personnel

- The Board on the recommendation of the Nomination & Remuneration Committee shall review and approve the remuneration payable to the directors/KMPs which shall be within the limits approved by the shareholders.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.

Review

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

The Remuneration Policy is available on the Company's website under the following web link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**

Independent Auditor's Report

To
The Members of
Titagarh Wagons Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standaloneInd AS financial statements of Titagarh Wagons Limited("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financialstatements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flowsand changes in equity of the Company in accordance with the accounting principles generally accepted in India, including theIndian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records inaccordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriateaccounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to thepreparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free frommaterial misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10)of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether dueto fraud or error. In making those risk assessments, the auditor considers internal financial controlrelevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in orderto design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimatesmade by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, theaforesaid standaloneInd AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 19, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of ourknowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of accountas required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standardsspecified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as onMarch 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of ourknowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controlsbased on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated inthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued bythe Institute of Chartered Accountants of India (ICAI).These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance withthe Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the GuidanceNote require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statementswas established and maintained and if such controls operated effectively in all materialrespects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that amaterial weakness exists, and testing and evaluating the design and operating effectiveness ofinternal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of

the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, ordisposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on theinternal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants ofIndia.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standaloneInd AS financial statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the standalone Ind AS financial statements, are held in the name of the Company, except for the following (details of which are set out in Note 3(a) to the standalone Ind AS financial statements:

No. of cases	Particulars	Gross Carrying Amount (Rs. in lacs)	Net Carrying Amount (Rs. in lacs)	Remarks
1	Freehold Land	9,409.78	9,409.78	Original copy of title deeds not available with the Company
1	Freehold Land	3,391.29	3,391.29	Title deeds are not in the name of the Company
1	Buildings	181.91	176.44	Registration of title deeds is pending
2	Buildings	572.04	533.58	Title deeds are not in the name of the Company

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not grantedany loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of sales tax, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, duty of customs, goods and service tax with effect from July 1, 2017 and professional tax, though there has been delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, service tax, duty of excise, value added tax, cess,and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2018, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Due date	Date of Payment
Central Sales Tax Act, 1956	Sales Tax	1.69	February 2017	March 20, 2017	May 5, 2018

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service taxwhich have not been deposited on account of any dispute. The particulars of dues of income tax,sales tax, duty of customs, duty of excise and value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
The West Bengal Sales Tax Act, 1944	Sales tax	5.24	2004-2005	West Bengal Taxation Tribunal
The West Bengal Value Added Tax Act, 2003	Value added tax	1,019.73	2012-13 to 2014-15	West Bengal Taxation Tribunal
	Value added tax	17.43	2010-11	Additional Commissioner of Commercial Taxes
The Central Sales Tax Act, 1956	Sales tax	63.84	2013-14	West Bengal Commercial Taxes Appellate & Revision Board
	Sales tax	45.13	2014-15	Additional Commissioner of Commercial Taxes
The Customs Act, 1962	Customs duty	1,280.61	2006-2007 and 2012-2013	Customs, Excise and Service Tax appellate Tribunal
Foreign Trade Development and Regulation Act, 1992	Terminal excise duty	693.20	2008-2010	Directorate General of Foreign Trade
The Central Excise Act, 1944	Excise duty	1,098.27	April 2012 to June 2012, 2007-08 2008-09, August 2007 to April 2009.	Customs, Excise and Service Tax appellate Tribunal
	Excise duty	164.22	2006-07 to 2013-2014	Commissioner of Central Excise (Appeal)
	Excise duty	18,892.06	1995-96 to 2015-16	Commissioner of Central Excise and Service Tax
	Excise duty	530.30	2011-12 to 2015-2016	Additional Commissioner of Central Excise and Service Tax
	Excise duty	452.00	2013-14 and 2014-15	Joint Commissioner of Central Goods and Service Tax
	Excise duty	76.92	2009-10 to 2010-11, 2014-15 and 2015-16	Assistant Commissioner of Central Excise and Service Tax
The Income-tax Act, 1961	Income Tax	289.98	2004-05- 2014-15	Commissioner of Income Tax (Appeal)
	Income Tax	4.86	2009-10	Assistant Commissioner of Income Tax (Appeal)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across anyinstance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with therequisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018

Balance Sheet as at March 31, 2018

Rs.in Lacs

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	3	28,865.72	29,223.20
b) Capital Work-in-progress		1,210.56	172.70
c) Intangible Assets (Other than Goodwill)	3	1,336.90	1,500.18
d) Intangible Assets Under Development		387.29	315.73
e) Financial Assets			
i) Investments	4	38,356.86	36,308.82
ii) Trade Receivables	5	88.11	169.98
iii) Loans and Deposits	6	183.20	164.90
iv) Other Financial Assets	7	192.37	173.77
f) Non-current Tax Assets (Net)	8	1,633.46	2,458.87
g) Other Non-current Assets	9	276.37	733.98
Total Non-current Assets		**72,530.84**	**71,222.13**
Current Assets			
a) Inventories	10	13,261.33	15,007.14
b) Financial Assets			
i) Trade Receivables	5	10,497.90	11,005.52
ii) Cash and Cash Equivalents	11.1	272.84	468.55
iii) Other Bank Balances	11.2	1,244.48	1,146.89
iv) Loans and Deposits	6	7,629.33	2,858.44
v) Other Financial Assets	7	6,873.70	3,281.94
c) Current Tax Assets (Net)	8	1,010.99	306.77
d) Other Current Assets	9	4,932.64	2,497.38
Total Current Assets		**45,723.21**	**36,572.63**
TOTAL - ASSETS		**118,254.05**	**107,794.76**
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	2,310.01	2,308.24
b) Other Equity	13	86,676.67	87,174.48
Total Equity		**88,986.68**	**89,482.72**
Liabilities			
Non-current Liabilities			
a) Provisions	14	275.25	318.07
b) Deferred Tax Liabilities (Net)	16	2,968.07	3,512.23
c) Other Non-current Liabilities	20	11.01	25.71
Total Non-current Liabilities		**3,254.33**	**3,856.01**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	9,916.30	4,336.63
ii) Trade Payables	18	3,699.95	3,653.30
iii) Other Financial Liabilities	19	416.01	610.89
b) Other Current Liabilities	20	10,753.55	4,537.60
c) Provisions	14	1,197.67	1,288.05
d) Current Tax Liabilities	15	29.56	29.56
Total Current Liabilities		**26,013.04**	**14,456.03**
TOTAL - LIABILITIES		**29,267.37**	**18,312.04**
TOTAL - EQUITY AND LIABILITIES		**118,254.05**	**107,794.76**

The accompanying Notes form an integral part of the Standalone Balance Sheet.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Statement of Profit & Loss as at March 31, 2018

Rs.in Lacs

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	21	31,652.05	37,033.60
Other Income	22	2,328.20	2,431.36
Total Income		**33,980.25**	**39,464.96**
Expenses			
Cost of Raw Materials and Components Consumed	23	15,842.90	21,357.12
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	24	1,968.89	(1,638.90)
Excise Duty Expense		256.17	2,115.42
Employee Benefits Expense	25	2,873.03	2,255.15
Finance Costs	26	864.45	438.44
Depreciation and Amortisation Expense	27	1,297.20	1,156.02
Other Expenses	28	10,956.40	11,150.30
Total Expenses		**34,059.04**	**36,833.55**
Profit / (Loss) Before Tax		(78.79)	2,631.41
Income Tax Expense	29 (A)		
Current Tax		171.87	531.64
Deferred Tax		(542.20)	171.40
Total Income Tax Expense		**(370.33)**	**703.04**
Profit for the Year		**291.54**	**1,928.37**
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Losses on Defined Benefit Plans	31(i)	(5.63)	(21.04)
Income Tax on above	29 (B)	1.97	7.28
Other Comprehensive Income for the Year (Net of Tax)		**(3.66)**	**(13.76)**
Total Comprehensive Income for the Year		**287.88**	**1,914.61**
Earnings per Equity Share [Nominal Value per Share Rs. 2/- (March 31, 2017: Rs 2/-)]	**30**		
Basic (In Rs.)		0.25	1.67
Diluted (In Rs.)		0.25	1.66

The accompanying Notes form an integral part of the Standalone Statement of Profit and Loss.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
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For and on behalf of the Board of Directors of Titagarh Wagons Limited

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Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

A) Equity Share Capital (Refer Note 12)

	Number in Lacs	Amount Rs. in Lacs
Balance as at March 31, 2016	1,153.84	2,307.69
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year	0.28	0.55
Balance as at March 31, 2017	**1,154.12**	**2,308.24**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year	0.88	1.77
Balance as at March 31, 2018	**1,155.00**	**2,310.01**

B) Other Equity

Rs. in Lacs

Particulars	Reserves and Surplus (Refer Note 13)					
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Total
Balance as at March 31, 2016	**40,433.07**	**5,411.39**	**9.18**	**54.33**	**39,256.74**	**85,164.71**
Profit for the Year	–	–	–	–	1,928.37	1,928.37
Other Comprehensive Income (Net of Tax) – Remeasurement Losses on Defined Benefit Plans	–	–	–	–	(13.76)	(13.76)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**1,914.61**	**1,914.61**
Transactions with Owners in their Capacity as Owners:						
Premium on Issue of Equity Shares Pursuant to Employee Stock Option (ESOP) Scheme	11.59	–	–	–	–	11.59
Recognition of Share Based Payment	–	–	–	83.57	–	83.57
Transfer from ESOPs Outstanding Account on Exercise	17.78	–	–	(17.78)	–	–
Balance as at March 31, 2017	**40,462.44**	**5,411.39**	**9.18**	**120.12**	**41,171.35**	**87,174.48**
Profit for the Year	–	–	–	–	291.54	291.54
Other Comprehensive Income (Net of Tax) – Remeasurement Losses on Defined Benefit Plans	–	–	–	–	(3.66)	(3.66)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**287.88**	**287.88**
Transactions with Owners in their Capacity as Owners:						
Issue of Equity Shares Pursuant to ESOP Scheme	37.35	–	–	–	–	37.35
Recognition of Share Based Payment	–	–	–	288.56	–	288.56
Transfer from ESOPs Outstanding Account on Exercise and Lapse	96.81	–	–	(134.81)	38.00	–
Final Dividend for the Year ended March 31, 2017	–	–	–	–	(923.58)	(923.58)
Dividend Distribution Tax on above	–	–	–	–	(188.02)	(188.02)
Balance as at March 31, 2018	**40,596.60**	**5,411.39**	**9.18**	**273.87**	**40,385.63**	**86,676.67**

The accompanying Notes form an integral part of the Standalone Statement of Changes in Equity

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(78.79)	2,631.41
Adjustments for:		
Depreciation and Amortisation Expense	1,297.20	1,156.02
Finance Costs	864.45	438.44
Employee Stock Option Expenses	288.56	83.57
Unrealised Foreign Exchange Fluctuations (Gain) / Loss	(495.17)	265.08
Fair Value (Gain) / Loss on Derivatives Not Designated as Hedges	115.79	(169.89)
Irrecoverable Debts / Advances Written Off (Net)	0.93	10.26
Provision for Doubtful Debts and Advances	501.58	53.32
Net (Gain) / Loss on Disposal of Property, Plant and Equipment	(366.74)	15.43
Fair Value Gain on Investment in Equity Securities at FVTPL	(26.22)	(263.94)
Dividend Income on Non-current Investments in a Subsidiary Company	–	(122.57)
Unspent Liabilities / Provisions No Longer Required Written Back	(340.84)	(234.14)
Commission Income Accrued on Financial Guarantees	(14.69)	(60.96)
Intangible Assets under Development Written Off	66.00	–
Interest Income Classified as Investing Cash Flows	(1,095.91)	(1,180.26)
Operating Profit before Changes in Operating Assets and Liabilities	**716.15**	**2,621.77**
Increase in Non-current and Current Financial and Non-financial Liabilities and Provisions	6,173.38	1,416.56
(Increase) / Decrease in Trade Receivables	123.52	(4,019.35)
(Increase) / Decrease in Inventories	1,745.81	(1,126.28)
Increase in Non-current and Current Financial and Non-financial Assets	(5,865.38)	(1,537.05)
Cash Generated From / (Used in) Operations	**2,893.48**	**(2,644.35)**
Income Taxes Paid (Net of Refunds)	(50.68)	(122.99)
Net Cash From / (Used in) Operating Activities	**2,842.80**	**(2,767.34)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(2,040.28)	(2,633.49)
Proceeds from Disposal of Property, Plant and Equipment	815.54	7.48
Loans given to Subsidiaries	(7,723.20)	(450.00)
Loans refunded by Subsidiaries	3,535.00	–
Investments in Subsidiaries	(1,684.51)	(6,758.89)
Investment in a Joint Venture	(74.99)	(0.50)
Fixed Deposits (Made) / Matured	(289.96)	13,565.69
Investments in Tax Free Bonds	–	(5,793.84)
Dividend Income on Non-current Investments in a Subsidiary Company	–	122.57
Interest Received	770.21	2,224.51
Net Cash From / (Used in) Investing Activities	**(6,692.19)**	**283.53**

Cash Flow Statement for the year ended March 31, 2018

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term Borrowings - Receipts/(Payments)	5,569.02	3,219.02
Finance Costs Paid	(842.87)	(436.05)
Proceeds from Issue of Equity Shares under ESOP Scheme	39.12	12.14
Dividend Paid (including Dividend Distribution Tax)	(1,111.59)	–
Net Cash From Financing Activities	**3,653.68**	**2,795.11**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(195.71)	311.30
Cash and Cash Equivalents - Opening Balance (Refer Note 11.1)	468.55	157.25
Cash and Cash Equivalents - Closing Balance (Refer Note 11.1)	**272.84**	**468.55**

The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'. Refer Note 46 for Debt Reconciliation.

The accompanying Notes form an integral part of the Standalone Cash Flow Statement.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

1 Corporate Information

Titagarh Wagons Limited (the Company) is a public limited company incorporated and domiciled in India. The registered office of the Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107 and has its manufacturing facilities located in West Bengal. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Company is mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Steel Castings, Specialised Equipments & Bridges, Ships, Heavy Earthmoving and Mining Equipments, etc. The Company caters to both domestic and export market.

The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on May 29, 2018.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The standalone financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

– Certain financial assets and liabilities (including derivative instruments)- Defined benefits plan- plan assets-Share based payments

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is classified as current when it is:a) expected to be realised or intended to be sold or consumed in the normal operating cycle, b) held primarily for the purpose of trading,c) expected to be realised within twelve months after the reporting period, ord) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.All other assets are classified as non-current.A liability is classified as current when:a) it is expected to be settled in the normal operating cycle,b) it is held primarily for the purpose of trading,c) it is due to be settled within twelve months after the reporting period, ord) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.All other liabilities are classified as non-current.Deferred tax assets and liabilities are classified as Non-current.

(iv) Rounding of Amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lacs and decimals thereof (Rs. 00,000.00) as per the requirement of Schedule III to the Act, unless otherwise stated.

2.2 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives in accordance with Schedule II to the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 60 years
Plant and Equipments	15 years
Railway Sidings	15 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Company had opted to fair value its property, plant and equipment as on at April 1, 2015 (date of transition to Ind AS) and had considered the same as deemed cost of property, plant and equipment as at 1st April 2015.

2.3 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Brand and Design and Drawings

The Company had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies during the year ended March 31, 2017 which was capitalised.

Amortisation Method and Period

Computer Software, Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years , 8 years [Indefinite useful life up to March 31, 2017 - Refer Note 3(b)] and 5 / 10 years respectively from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets as at April 1, 2015.

2.4 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Investments (other than Investments in Subsidiaries and Joint Venture) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.
- Fair Value through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Income'/'Other Expenses' in the period in which it arises.

Equity Instruments

The Company subsequently measures all equity investments (other than investments in subsidiaries and joint venture) at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income/Other Expenses' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43(II) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

– the Company has transferred the rights to receive cash flows from the financial asset or

– retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.8 Investments in Subsidiaries and Joint Venture

Investments in subsidiaries and joint venture are carried at cost less provision for impairment, if any. Investment in subsidiaries and joint venture are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the previous GAAP carrying value of all its investment in subsidiaries as at April 1, 2015 and use those values as the deemed cost of such investments as at April 1, 2015.

2.9 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.12 Other Financial Liabilities

Other financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Derivative Instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'.

2.14 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

2.16 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.18 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Products

Revenue from sale of products and scrap sales is recognised when the significant risk and rewards of ownership of the products have passed to the buyers as per the terms of contract.

Other Operating Revenue

Export entitlement are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Management fees are recognised on an accrual basis as per the terms of the agreement/arrangement with the concerned party.

2.19 Construction Contracts

Contract revenue is measured at the fair value of the consideration received or receivable. Variations in contract work are included in contract revenue when it is probable that the customer will approve the variation as well as the amount of revenue arising from the variation and the amount of revenue arising from the variation can be reliably measured. Claims are included in contract revenue to the extent that it is probable that the customer will accept the claim and the amount that is probable to be accepted by the customer can be measured reliably.

The Company uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rupees or Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.21 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptancs can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Share Based Payments

Share-based compensation benefits are provided to employees via the Titagarh Wagons Limited Employee Stock Option Scheme namely ESOP Scheme 2014.

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.23 Income Taxes

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.24 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations or deduction made by the customers, as the case may be.

Litigation, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Company in due course.

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.25 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.26 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings Per Equity Share

Diluted earnings per equity share adjusts the figures used in the determination of basic earnings per equity share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.27 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company. Refer Note 40 for segment information presented.

2.28 Business Combinations

A common control business combination, involving entries or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

2.29 Recent Accounting Pronouncements

Standards Issued but not yet Effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules 2018 (the Rules) on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted. The Company intends to adopt these standards, as applicable, when they become effective.

Ind AS 115, Revenue from Contracts with Customers

The Ministry of Corporate Affairs (MCA) has notified Ind AS 115, 'Revenue from Contracts with Customers', March 28, 2018, which is effective for accounting periods beginning on or after April 1, 2018. The new revenue standard is based on a transfer of control model, which fundamentally changes the basis of revenue recognition, presentation and disclosures. The standard could significantly change the amount and timing of revenue recognition. The core principle is described in a five-step model framework.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

Amendments to Ind AS 12 Income Taxes regarding Recognition of Deferred Tax Assets on Unrealised Losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

– A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.-The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this.

– Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.

– Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The Company is evaluating the requirements of the above amendments and the effect on the standalone financial statements is being evaluated.

2.30 Critical Estimates and Judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 31**

  Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **Impairment of Trade and Other Receivables — Notes 2.7(iii) and 43(II)**

  The risk of uncollectability of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful receivables, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets- Notes 2.2, 2.3 and 3**

  Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment and intangible assets.

- **Accounting for Construction Contracts under Percentage of Completion - Notes 2.18 and 45**

  The percentage of completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders and claims payments which are recognised when, based on management's judgement, it is probable that they will result in revenue and are reliably measurable. This assessment is adjusted upon management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Cost to complete depends on productivity factors and the cost of inputs, weather conditions, performance of subcontractors, etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

- **Contingencies — Notes 2.24, 2.25 and 36**

  Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the

Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- **Valuation of Deferred Tax Assets — Notes 2.23 and 16**

  Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- **Warranties and Liquidated Damages – Notes 2.24 and 14**

  The Company's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.Liquidated damages on supply of products are provided based on the contractual obligations or deduction made by the customers, as the case may be. Changes in estimated frequency and amount of future warranty claims, liquidated damages can materially affect warranty / liquidated damage expenses.

- **Impairment of Investments in Subsidiaries – Notes 2.8 and 4**

  Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/ operations of the subsidiaries.

- **Fair Value Measurements – Notes 2.7(vi) , 2.22, 32 and 42**

  When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

3 Property, Plant and Equipment and Intangible Assets (Other Than Goodwill)

Rs in Lacs

	Freehold Land (Refer 'a' below)	Leasehold Land	Buildings (Refer 'a' below)	Plant and Equipments	Railway Sidings	Furniture and Fixtures	Office Equipments and Computers	Vehicles	Total Property, Plant and Equipment	Computer Software	Brand (Refer 'b' below)	Design and Drawings	Total Intangible Assets	Grand Total
Gross Carrying Amount														
As at March 31, 2016	**18,685.26**	**335.61**	**5,979.78**	**4,901.87**	**244.75**	**206.21**	**218.39**	**185.07**	**30,756.94**	**104.48**	**–**	**–**	**104.48**	**30,861.42**
Additions	0.90	–	258.30	154.14	–	16.84	25.55	48.11	503.84	25.45	227.79	1,298.22	1,551.46	2,055.30
Disposals	–	–	–	66.44	–	–	–	40.77	107.21	–	–	–	–	107.21
As at March 31, 2017	**18,686.16**	**335.61**	**6,238.08**	**4,989.57**	**244.75**	**223.05**	**243.94**	**192.41**	**31,153.57**	**129.93**	**227.79**	**1,298.22**	**1,655.94**	**32,809.51**
Additions	–	–	291.73	664.86	64.45	67.83	52.63	39.65	1,181.15	44.10	–	–	44.10	1,225.25
Disposals	–	–	462.97	–	–	–	–	38.21	501.18	–	–	–	–	501.18
As at March 31, 2018	18,686.16	335.61	6,066.84	5,654.43	309.20	290.88	296.57	193.85	31,833.54	174.03	227.79	1,298.22	1,700.04	33,533.58
Accumulated Depreciation and Amortisation														
As at March 31, 2016	**–**	**4.32**	**181.25**	**576.15**	**27.00**	**22.33**	**61.28**	**35.18**	**907.51**	**44.58**	**–**	**–**	**44.58**	**952.09**
Charge for the Year	–	4.33	210.36	699.17	23.45	23.43	53.97	30.13	1,044.84	30.77	–	80.41	111.18	1,156.02
Disposals	–	–	–	1.47	–	–	–	20.51	21.98	–	–	–	–	21.98
As at March 31, 2017	**–**	**8.65**	**391.61**	**1,273.85**	**50.45**	**45.76**	**115.25**	**44.80**	**1,930.37**	**75.35**	**–**	**80.41**	**155.76**	**2,086.13**
Charge for the Year	–	4.33	203.48	737.13	26.81	25.01	60.31	32.75	1,089.82	30.48	28.47	148.43	207.38	1,297.20
Disposals	–	–	28.72	–	–	–	–	23.65	52.37	–	–	–	–	52.37
As at March 31, 2018	–	12.98	566.37	2,010.98	77.26	70.77	175.56	53.90	2,967.82	105.83	28.47	228.84	363.14	3,330.96
Net Carrying Amount														
As at March 31, 2017	**18,686.16**	**326.96**	**5,846.47**	**3,715.72**	**194.30**	**177.29**	**128.69**	**147.61**	**29,223.20**	**54.58**	**227.79**	**1,217.81**	**1,500.18**	**30,723.38**
As at March 31, 2018	**18,686.16**	**322.63**	**5,500.47**	**3,643.45**	**231.94**	**220.11**	**121.01**	**139.95**	**28,865.72**	**68.20**	**199.32**	**1,069.38**	**1,336.90**	**30,202.62**

a) The title deeds of immovable properties, as disclosed above are held in the name of the Company, except for the following:

Particulars	No. of Cases		Gross Block (Rs. in Lacs)		Net Block (Rs. in Lacs)		Remarks
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
Freehold Land	1	1	9,409.78	9,409.78	9,409.78	9,409.78	Original copy of title deeds not available with the Company. The Company has photocopy of the same.
Freehold Land	1	1	3,391.29	3,391.29	3,391.29	3,391.29	Title deeds not in the name of the Company
Buildings	1	2	181.91	231.36	176.44	222.86	Registration of title deeds is pending
Buildings	2	3	572.04	602.04	533.58	575.40	Title deeds not in the name of the Company

b) During the year ended March 31, 2018, the management, after review, has revised the estimated useful life of brand from indefinite life to finite life. Accordingly, the same has been amortised from the year ended March 31, 2018 over its remaining life of 8 years on a straight-line basis. As a result, the amortisation expense and loss before tax for the year ended March 31, 2018 is higher by Rs. 28.47 Lacs. This revision in useful life will also result in increase in amortisation expense by Rs. 199.32 Lacs in the future periods.

c) The Company had opted to fair value its Property, Plant and Equipment as on April 1, 2015 (transition date to Ind AS) and considered the same as deemed cost as at April 1, 2015.

d) Refer Notes 17 and 39 for information on Property, Plant and Equipment pledged as security by the Company.

e) Refer Note 35(a) for disclosure of contractual commitments for acquisition of Property, Plant and Equipment

Notes to Financial Statements as at and for the year ended March 31, 2018

4 Investments (Non-current)

	No of Shares/Units As at March 31, 2018	2017	Face vale per share/unit (Rs)	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
Investments in Equity Instruments					
In a Subsidiary Company (Quoted) (at Cost)					
Cimmco Limited (f)	22,265,350	15,065,350	10	8,002.70	4,402.70
In Subsidiary Companies (Unquoted) (at Cost)					
Titagarh Singapore Pte Limited** (a)	20,000,000	17,383,612	USD 1	12,833.86	11,149.35
Titagarh Capital Private Limited (d)	1,500,000	1,500,000	100	1,542.57	1,542.57
Titagarh Wagons AFR** (a)	4,500,000	4,500,000	EURO 1	2,864.60	2,864.60
Titagarh Agrico Private Limited (f)	–	36,000,000	10	–	3,600.00
Titagarh Firema SpA (a) (formerly Titagarh Firema Adler SpA)	180,000	180,000	EURO 1	127.75	127.75
In a Joint Venture (Unquoted) (at Cost)					
Matiere Titagarh Bridges Pvt Ltd	754,882	5,000	10	75.49	0.50
In Others (Quoted) (at FVTPL) '(e)					
Continental Valves Limited #	160,000	160,000	10	28.77	38.08
In Others (Unquoted) (at FVTPL) '(e)					
Titagarh Enterprises Limited	4,933,000	4,933,000	10	2,339.42	2,311.73
Tecalemit Industries Limited	685,000	685,000	10	22.82	15.98
Titagarh Industries Limited	50,000	50,000	10	30.83	29.83
				27,868.81	**26,083.09**
Investments in Preference Shares					
Compulsorily Convertible Cumulative Preference Shares in Subsidiary Companies (fully paid up) (Unquoted) (at Cost)					
Titagarh Capital Private Limited (b) , (d)	2,500,000	2,500,000	100	2,500.00	2,500.00
In Non-cumulative, Non-convertible, Redeemable Preference Shares (NCNCRPS) in Subsidiary Companies (fully paid up) (Unquoted) (at Amortised Cost)					
Cimmco Limited (c)	25,000,000	25,000,000	10	2,168.55	1,931.89
				4,668.55	**4,431.89**
Investment in Tax Free Bonds (Quoted) (at Amortised Cost)					
7.40% India Infrastructure Finance Company Limited***	140,000	140,000	1,000	1,481.41	1,474.53
7.04% Indian Railways Finance Corporation Limited***	50	50	1,000,000	508.16	507.20
7.38% Indian Railways Finance Corporation Limited***	100	100	1,000,000	1,106.55	1,105.26
7.39% National Highway Authority of India***	180,000	180,000	1,000	1,960.46	1,949.39
7.39% National Highway Authority of India***	50	50	1,000,000	526.24	523.83
8.67% Power Finance Corporation Limited	20,000	20,000	1,000	236.68	233.63
				5,819.50	**5,793.84**
Total				**38,356.86**	**36,308.82**
Aggregate book value of quoted investments				13,850.97	10,234.62
Aggregate book value of unquoted investments				24,505.89	26,074.20
Market value of quoted investments				23,613.90	20,186.47

Quotations not available

** Represents following shares pledged/to be pledged with the banks for loans taken by the respective subsidiary company:

Rs. in Lacs

Name of the Subsidiary	Amount Pledged March 31, 2018	Amount Pledged March 31, 2017
Titagarh Singapore Pte Limited	12,833.86	5,525.47
Titagarh Wagons AFR	2,864.60	2,864.60
	15,698.46	**8,390.07**

*** All the units are pledged against the working capital loan taken by Titagarh Singapore Pte Limited

Notes:

(a) Valued at exchange rate prevailing on the date of transaction.

(b) The 1% Compulsorily Convertible Cumulative Preference Shares are convertible into equity shares on or before August 27, 2022 at par.

(c) The 8% Non-cumulative Non-convertible Redeemable Preference Shares (NCNCRPS) are redeemable within five years from the date of allotment i.e. by June 27, 2019 at par.

(d) The Company has investment in the equity and preference shares aggregating to Rs. 4,042.57 lacs (March 31, 2017: Rs. 4,042.57 lacs in its wholly owned subsidiary company "Titagarh Capital Private Limited" (TCPL). As at March 31, 2018, being the last audited balance sheet date, the accumulated losses in the books of TCPL is Rs. 1,449.49 lacs (March 31, 2017: Rs. 1,451.26 lacs). However, certain Property, Plant and Equipment of TCPL, having net block of Rs 1,035.48 lacs (March 31, 2017: Rs. 1,035.48 lacs) representing 887 wagons, are in possession of Indian Railways since 1998 which have significant residual value. TCPL also has raised claims on Indian Railways on account of secondary lease rentals / user charges and interest thereon along with returning possession of wagons, which is under arbitration proceedings. Considering the above, the management believes there is no impairment on this investment.

(e) Refer Note 42 for determination of fair values.

(f) The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated October 16, 2017 has sanctioned the Scheme of Amalgamation (the "Scheme") of Titagarh Agrico Private Limited (TAPL), with Cimmco Limited with Appointed Date being April 1, 2016. The certified true copy of the said Order has been received and filed with the Ministry of Corporate Affairs on November 14, 2017, thus making the Scheme effective. Pursuant to the Scheme, the investments in equity shares of TAPL stands cancelled and Cimmco Limited has allotted 72,00,000 equity shares of Rs. 10/- each to the Company.

(g) Refer Note 43 for credit risk and market risk on investments.

5 Trade Receivables (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Trade Receivables				
Considered Good	88.11	169.98	10,497.90	11,005.52
Considered Doubtful	50.93	–	433.95	55.00
	139.04	**169.98**	**10,931.85**	**11,060.52**
Less: Provision for Doubtful Trade Receivables	50.93	–	433.95	55.00
Total	**88.11**	**169.98**	**10,497.90**	**11,005.52**

a) Trade Receivables - Considered Good includes dues from related parties Rs. 2,374.66 Lacs (March 31, 2017: Rs. 1,664.03 Lacs). Refer Note 41 for details.

b) Refer Notes 17 and 39 for information on trade receivables pledged as security by the Company and Note 43 for information about credit risk and market risk on trade receivables.

6 Loans and Deposits (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Loans to Related Parties [Refer (a) below]	–	–	7,353.29	2,766.54
Security Deposits				
Considered Good	183.20	164.90	276.04	91.90
Considered Doubtful	41.63	38.13	–	–
	224.83	**203.03**	**276.04**	**91.90**
Provision for Doubtful Security Deposits	41.63	38.13	–	–
	183.20	164.90	276.04	91.90
Total	**183.20**	**164.90**	**7,629.33**	**2,858.44**

(a) Loans to Related Parties are non-derivative financial assets receivable on demand which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties. Also Refer Note 41.

7 Other Financial Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Measured at Fair Value through Profit and Loss				
Derivative Instruments at Fair Value through Profit and Loss:				
Foreign Exchange Forward Contracts [Refer (a) below]	–	–	–	169.89
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months	192.37	–	–	–
Receivable from Related Parties (Refer Note 41)	–	–	796.45	238.79
Interest Accrued on				
Fixed Deposits with Banks and Tax Free Bonds	–	–	175.56	224.53
Loans to Subsidiaries (Refer Note 41)	–	–	154.85	12.04
Unbilled Revenue (Refer Note 45)	–	–	4,827.92	2,385.90
Charges Recoverable				
Considered Good	–	173.77	918.92	250.79
Considered Doubtful	–	–	24.48	–
	–	**173.77**	**943.40**	**250.79**
Less: Provision for Doubtful Charges Recoverable	–	–	24.48	–
	–	**173.77**	**918.92**	**250.79**
Total	**192.37**	**173.77**	**6,873.70**	**3,281.94**

(a) While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

8 Tax Assets

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Advance Tax [Net of Provision for Tax Rs.13,611.17 Lacs (March 31, 2017: Rs.13,439.30 Lacs)]	1,633.46	2,458.87	1,010.99	306.77
Total	**1,633.46**	**2,458.87**	**1,010.99**	**306.77**

9. Other Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital Advances	21.75	423.15	–	–
Security Deposits	196.31	154.48	–	–
Advances Recoverable in Cash or in Kind				
Considered Good - Related Parties [Refer (a) below]	–	–	34.50	34.50
Considered Good - Others	18.51	19.42	2,160.74	1,032.94
Considered Doubtful - Others	88.40	88.40	16.90	16.90
	106.91	**107.82**	**2,212.14**	**1,084.34**
Less: Provision for Doubtful Advances - Others	88.40	88.40	16.90	16.90
	18.51	19.42	2,195.24	1,067.44
Balances with Government Authorities				
Considered Good	–	–	2,453.41	970.41
Considered Doubtful	–	–	20.09	11.52
	–	**–**	**2,473.50**	**981.93**
Less: Provision for Doubtful Balances	–	–	20.09	11.52
	–	**–**	**2,453.41**	**970.41**
Prepaid Expenses	39.80	136.93	283.99	235.69
Interest on Income Tax Refundable	–	–	–	223.84
Total	**276.37**	**733.98**	**4,932.64**	**2,497.38**

(a) Represents recoverable from an Officer of the Company. Also Refer Note 41.

Notes to Financial Statements as at and for the year ended March 31, 2018

10 Inventories

(Valued at lower of Cost and Net Realisable Value)

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Raw Materials and Components [Includes Goods-in-transit Rs.1,670.57 Lacs (March 31, 2017: Rs 24.98 Lacs]	7,907.94	7,513.33
Work-in-progress	3,552.43	4,245.55
Finished Goods	1,074.55	2,370.48
Saleable Scrap	127.04	106.88
Stores and Spares	599.37	770.90
Total	**13,261.33**	**15,007.14**

(a) Refer Notes 17 and 39 for information on inventories pledged as security by the Company.

(b) Write-downs of inventories to net realisable value amounted to Rs. 11.86 lacs (March 31, 2017: Rs Nil). These were recognised as an expense during the year and included in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap in the Statement of Profit and Loss.

11 Cash and Bank Balances

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
11.1 Cash and Cash Equivalents **Balances with Banks:**		
On Current Accounts	260.70	442.48
Deposits with Original Maturity of Less Than Three Months	–	17.58
Cash on Hand	12.14	8.49
	272.84	**468.55**
11.2 Other Bank Balances **Balances with Banks:**		
On Unpaid Dividend Accounts	15.03	14.42
On Share Application Refundable Accounts	–	0.48
On Unpaid Fractional Share Entitlement Accounts	–	10.98
Deposits with Original Maturity of More Than Twelve Months	740.85	693.10
Deposits with Original Maturity of More than Three Months but Less Than Twelve Months	487.10	2.58
Deposits held as Margin Money #	1.50	425.33
	1,244.48	**1,146.89**

Receipts lying with banks as security against loans, guarantees/letters of credits issued by them.

12 Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. of shares in Lacs	Rs.in Lacs	No. of shares in Lacs	Rs.in Lacs
Authorised Shares				
Equity Shares of Rs. 2/- (March 31, 2017: Rs. 2/-) each	8,805.00	17,610.00	8,805.00	17,610.00
Preference Shares of Rs. 10/- each	520.00	5,200.00	520.00	5,200.00
		22,810.00		**22,810.00**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2017: Rs. 2/-) each, fully paid-up	1,155.00	2,310.01	1,154.12	2,308.24
		2,310.01		**2,308.24**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of shares in Lacs	Rs. In Lacs	No. of shares in Lacs	Rs. In Lacs
Equity Shares				
At the beginning of the Year	1,154.12	2,308.24	1,153.84	2,307.69
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.88	1.77	0.28	0.55
Outstanding at the end of the Year	**1,155.00**	**2,310.01**	**1,154.12**	**2,308.24**

@ During the year, 88,500 equity shares (March 31, 2017: 27,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Company under the Employee Stock Option (ESOP) Scheme.

b) Shares reserved for issue under Employee Stock Options

For details of shares reserved for issue under ESOPs of the Company, please refer Note 32.

c) Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2017: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2017: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Pvt. Ltd.	21,670,165	18.76%	21,670,165	18.78%
Savitri Devi Chowdhary	18,116,035	15.68%	18,116,035	15.70%
Rashmi Chowdhary	12,816,105	11.10%	12,816,105	11.10%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	–	–	11,028,301	9.56%
HDFC Trustee Company Limited - HDFC Prudence Fund	6,151,556	5.33%	–	–

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

13. Other Equity

Rs. in Lacs

		As at March 31, 2018	As at March 31, 2017
a.	**Securities Premium Account**		
	Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
	Balance as per the last financial statements	40,462.44	40,433.07
	Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 12(a)]	37.35	11.59
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	96.81	17.78
		40,596.60	**40,462.44**
b.	General Reserve (as per the last financial statements) (Refer Note 13.1)	5,411.39	5,411.39
c.	Capital Reserve (as per the last financial statements)	9.18	9.18
d.	**Employee Stock Options (ESOPs) Outstanding Account (Refer Note 32)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Company to employees under the Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the last financial statements	120.12	54.33
	Recognition of Share Based Payment (Refer Note 32)	288.56	83.57
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(134.81)	(17.78)
		273.87	**120.12**
e.	**Retained Earnings**		
	Balance as per the last financial statements	41,171.35	39,256.74
	Profit for the Year	291.54	1,928.37
	Item of Other Comprehensive Income recognised directly in Retained Earnings		
	– Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(3.66)	(13.76)
	Transfer from ESOPs Outstanding Account on Options Lapsed	38.00	–
	Final Dividend for the year ended March 31, 2017 [Refer Note 44(b)]	(923.58)	–
	Dividend Distribution Tax on above	(188.02)	–
		40,385.63	41,171.35
	Total Other Equity	**86,676.67**	**87,174.48**

13.1 General Reserve: Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14 Provisions

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provisions for Employee Benefits :				
Gratuity [Refer Note 31 (i)]	275.25	318.07	94.21	73.61
Leave Benefits [Refer Note 31 (iii)]	–	–	102.58	72.87
	275.25	**318.07**	**196.79**	**146.48**
Other Provisions:				
Warranties #	–	–	151.27	184.06
Liquidated Damages #	–	–	532.64	432.94
Litigations, Claims and Contingencies #	–	–	316.97	386.69
Loss on Onerous Contract #	–	–	–	137.88
	–	**–**	**1,000.88**	**1,141.57**
Total	**275.25**	**318.07**	**1,197.67**	**1,288.05**

a) Movement of Provisions for Warranties and Liquidated Damages are as follows:

Rs. in Lacs

	Warranties		Liquidated Damages	
	2017-18	2016-17	2017-18	2016-17
At the beginning of the Year	184.06	207.85	432.94	533.37
Made during the Year	96.25	23.42	474.60	414.67
Utilised during the Year	(129.04)	(47.21)	(374.90)	(515.10)
At the end of the Year	**151.27**	**184.06**	**532.64**	**432.94**

b) Movement of Provisions for Litigations, Claims and Contingencies and Loss on Onerous Contract are as follows:

Rs. in Lacs

	Litigations, Claims and Contingencies		Loss on Onerous Contract	
	2017-18	2016-17	2017-18	2016-17
At the beginning of the Year	386.69	714.14	137.88	–
Made during the Year	10.28	2.99	–	137.88
Utilised during the Year	–	(206.93)	(137.88)	–
Unused amounts reversed	(80.00)	(123.51)	–	–
At the end of the Year	**316.97**	**386.69**	**–**	**137.88**

The Management inter alia based on the past trend expects to settle the provision within twelve months from the Balance Sheet date and has therefore classified the entire amount as Current.

15. Current Tax Liabilities

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Provision for Income Tax	29.56	29.56
Total	**29.56**	**29.56**

16 Deferred Tax Liabilities (Net)

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities		
Arising out of Temporary Differences in Depreciable Assets	4,420.05	4,282.92
Unrealised Gain on FVTPL Equity Investments	242.25	288.34
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	–	58.79
Gross Deferred Tax Liabilities	**4,662.30**	**4,630.05**
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	228.71	93.84
Provision for Loss on Onerous Contract	–	47.72
Provision for Warranties and Liquidated Damages	186.12	149.83
Provision for Litigations, Claims and Contingencies	–	134.34
Provision for Employee Benefits	164.94	142.42
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	40.46	–
Carried Forward Business Losses	370.49	–
MAT Credit Entitlement	703.51	531.64
Unabsorbed Depreciation	–	18.03
Gross Deferred Tax Assets	**1,694.23**	**1,117.82**
Deferred Tax Liabilities (Net)	**2,968.07**	**3,512.23**

17 Borrowings - Current (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Secured		
From Banks		
Cash Credits and Working Capital Demand Loans	8,171.68	11.90
Buyers' Credit (in foreign currency)	1,744.62	–
Packing Credit Loans (in foreign currency)	–	4,324.73
Total	**9,916.30**	**4,336.63**

Notes:

(a) Cash Credits, Working Capital Demand Loans, Buyer's Credit (in foreign currency) and Packing Credit Loans (in foreign currency) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

(b) Cash Credits carry interest at Banks's MCLR plus spread ranging from 1% to 2% p.a (effectively 8.80% to 11.50% p.a.) and are repayable on demand.

(c) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 0.45% to 1.00% p.a and are repayable within six months.

(d) Buyer's Credit (in foreign currency) carry interest rate ranging from 2.42% to 3.21% p.a for USD and from 0.53% to 0.90% p.a. for Euro (March 31, 2017: Rs.Nil) and are repayable within maximum of six months from the date of drawdown.

(e) Packing Credit Loans (in foreign currency) as on March 31, 2017 carried interest rate ranging from 2.20% to 2.62% p.a and was repayable within six months from the date of drawdown.

(f) Refer Note 43 for information about market risk and liquidity risk on borrowings.

18 Trade Payables (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 37)	36.02	16.55
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	3,663.93	3,636.75
Total	**3,699.95**	**3,653.30**

(a) Trade Payables include dues to related parties of Rs. 57.96 Lacs (March 31, 2017 Nil). Refer Note 41 for details.

(b) Refer Note 43 for information about market risk and liquidity risk on trade payables.

19 Other Financial Liabilities

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Measured at Fair Value through Profit and Loss		
Derivative Instruments at Fair Value through Profit and Loss:		
Foreign Exchange Forward Contracts [Refer (a) below]	115.79	–
Measured at Amortised Cost		
Interest Accrued on Borrowings	24.01	2.42
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividends	15.03	14.42
Unpaid Share Application	–	0.48
Unpaid Fractional Share	–	10.98
Others		
Employee Related Liabilities	131.16	270.84
Payable for Purchase of Property, Plant and Equipment	19.03	60.05
Other Liabilities	110.99	251.70
Total	**416.01**	**610.89**

(a) While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

20 Other Liabilities

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Deferred Guarantee Income	11.01	25.71	14.69	14.69
Advances from Customers	–	–	10,594.60	3,557.21
Statutory Dues	–	–	119.74	931.84
Other Liabilities	–	–	24.52	33.86
Total	**11.01**	**25.71**	**10,753.55**	**4,537.60**

Notes to Financial Statements as at and for the year ended March 31, 2018

21 Revenue from Operations

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products (including Excise Duty)		
Finished Goods	29,823.15	35,057.39
Raw Materials and Components	992.97	757.00
Other Operating Revenues		
Scrap Sales	436.53	931.20
Export Entitlement (Duty Drawback, etc.)	88.03	69.11
Management Fees	181.05	176.66
Others	130.32	42.24
Total	**31,652.05**	**37,033.60**

Sale of Products includes excise duty collected from customers amounting to Rs. 411.66 Lacs (March 31, 2017: Rs. 2,111.85 Lacs). Post applicability of Goods and Service Tax (GST) w.e.f July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for the year ended March 31, 2018 are not comparable with the previous year.

21 Other Income

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
22.1 Interest Income		
From Financial Assets at Amortised Cost		
Bank Deposits	558.65	743.48
Loans to Subsidiaries	300.60	208.53
Investment in Preference Shares in a Subsidiary	236.66	228.25
From Income Tax Authorities	64.91	45.44
	1,160.82	**1,225.70**
22.2 Dividend Income		
Dividend Income on Non-current Investments in a Subsidiary Company	–	122.57
	–	122.57
22.3 Others		
Fair Value Gain on Investment in Equity Securities at FVTPL	26.22	263.94
Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges *	124.67	417.16
Unspent Liabilities / Provisions No Longer Required Written Back	340.84	234.14
Net Gain on Disposal of Property, Plant and Equipment	366.74	–
Commission Income on Guarantees, etc.	220.50	159.08
Other Non-operating Income	88.41	8.77
	1,167.38	1,083.09
Total	**2,328.20**	**2,431.36**

* Includes unrealised Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges Rs. 115.79 Lacs [March 31, 2017: (Rs.169.89 Lacs)]
@ Includes Commission Income Accrued on Fair Valuation of Financial Guarantees Rs. 14.69 Lacs (March 31, 2017 : Rs. 60.96 Lacs)

23 Cost of Raw Materials and Components Consumed

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year	7,513.33	8,141.32
Add: Purchases	16,237.51	20,729.13
	23,750.84	**28,870.45**
Less: Inventories at the end of the year	7,907.94	7,513.33
Cost of Raw Materials and Components Consumed	**15,842.90**	**21,357.12**

24 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scarp

Rs. in Lacs

		For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year			
Finished Goods		2,370.48	2,112.87
Work-in-Progress		4,245.55	2,743.60
Saleable Scrap		106.88	227.54
	(A)	**6,722.91**	**5,084.01**
Inventories at the end of the year			
Finished Goods		1,074.55	2,370.48
Work-in-Progress		3,552.43	4,245.55
Saleable Scrap		127.04	106.88
	(B)	**4,754.02**	**6,722.91**
		–	–
(Increase) / Decrease	**(A-B)**	**1,968.89**	**(1,638.90)**

25 Employee Benefits Expense

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages and Bonus	2,172.06	1,808.96
Employee Stock Option Expenses (Refer Note 32)	288.56	83.57
Contribution to Provident and Other Funds [Refer Note 31 (ii)]	179.81	148.81
Gratuity Expense [Refer Note 31 (i)]	57.78	57.95
Staff Welfare Expenses	174.82	155.86
Total	**2,873.03**	**2,255.15**

Notes to Financial Statements as at and for the year ended March 31, 2018

26 Finance Costs

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	560.20	233.36
Other Borrowing Costs (Bank Charges, etc)	304.25	205.08
Total	**864.45**	**438.44**

27 Depreciation and Amortisation Expense

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant and Equipment (Refer Note 3)	1,089.82	1,044.84
Amortisation on Intangible Assets (Refer Note 3)	207.38	111.18
Total	**1,297.20**	**1,156.02**

28 Other Expenses

Rs. in Lacs

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Consumption of Stores and Spare parts		1,602.50		2,323.77
Job Processing and Other Machining Charges (including Contract Labour Charges)		3,108.42		2,790.04
Power and Fuel		1,460.99		1,626.77
Design and Development Expenses		178.85		43.25
Repairs				
Plant and Machinery		320.01		360.53
Buildings		11.10		37.83
Others		34.06		36.87
Rent and Hire Charges (Refer Note 33)		317.47		269.25
Rates and Taxes		83.24		167.96
Insurance		47.75		48.43
Security Services		143.70		154.37
Freight and Forwarding Charges [Net of Recovery Rs. 218.16 Lacs (March 31, 2017: Rs. 64.18 Lacs)]		612.19		498.72
Advertising and Sales Promotion		161.94		182.74
Brokerage and Commission		44.14		57.26
Travelling and Conveyance		448.17		340.93
Legal and Professional Fees		453.60		702.51
Commission to Non - Executive Directors		–		10.00
Director's Sitting Fees		30.89		32.65
Payment to Auditors				
As Auditors				
Audit Fee	20.00		29.00	
Limited Review	9.00		24.00	

Rs. in Lacs

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Other Certification Services	4.34		20.95	
Other Services*	13.10		–	
Reimbursement of Expenses	1.58	48.02	2.76	76.71
Warranty Claims	129.04		149.90	
Less: Adjusted with Provision	129.04	–	47.21	102.69
Provision for Warranties		96.25		23.42
Liquidated Damages	513.60		532.09	
Less: Adjusted with Provision	374.90	138.70	515.10	16.99
Provision for Liquidated Damages		474.60		414.67
Irrecoverable Debts/ Advances Written Off	35.93		63.58	
Less: Adjusted with Provision	35.00	0.93	53.32	10.26
Provision for Doubtful Debts and Advances		501.58		53.32
Net Loss on Disposal of Property, Plant and Equipment	–	–	–	15.43
Corporate Social Responsibility Expenses (Refer Note 28.1)		42.64		44.00
Intangible Assets under Development Written Off		66.00		–
Miscellaneous Expenses		528.66		708.93
Total		**10,956.40**		**11,150.30**

*Payment to Auditors- Other Services for the year ended March 31, 2018 includes Rs 13.10 lacs paid to the preceding auditors of the Company.

28.1 Corporate Social Responsibility Expenses

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Amount required to be spent during the year	29.63	20.17
(b) Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above (fully paid)	42.64	44.00
Total	**42.64**	**44.00**

29 Income Tax Expense / (Benefit)

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Amount recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on profits for the year	**171.87**	**531.64**
Deferred Tax		
Origination and reversal of temporary differences	(344.11)	70.35
Adjustment relating to earlier years	(293.25)	101.05
Adjustment for change in tax rate	95.16	–
	(542.20)	**171.40**
Total income tax expense recognised in profit and loss	**(370.33)**	**703.04**

Notes to Financial Statements as at and for the year ended March 31, 2018

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(B) Amount recognised in Other Comprehensive Income		
Deferred Tax		
Remeasurements on post-employment defined benefit plan	1.97	7.28
Total income tax benefit recognised in other compreshensive income	**1.97**	**7.28**
(C) Numerical reconciliation of income tax expense to prima facie tax payable		
Accounting Profit / (Loss) before Tax	**(78.79)**	**2,631.41**
At India's Statutory Income Tax Rate of 34.608% (March 31, 2017: 34.608%)	**(27.27)**	**910.68**
Adjustments:		
Expenses not allowed as deductions	104.36	73.29
Income not taxable	(223.33)	(224.57)
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	(26.00)	(157.41)
Adjustment for change in tax rate	95.16	–
Adjustment relating to earlier years	(293.25)	101.05
	(370.33)	**703.04**

The applicable Indian Statutory Income Tax Rate for the year ended March 31, 2018 and March 31, 2017 was 34.608 %. During the year ended March 31, 2018, the Company has recognised additional deferred tax expense of Rs. 95.16 Lacs on account of change in tax rate from 34.608 % to 34.944 % as per the Finance Act, 2018.

30 Earnings Per Equity Share

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,411,870	115,384,370
(ii) Number of Equity Shares at the End of the Year	115,500,370	115,411,870
(iii) Weighted Average Number of Equity Shares Outstanding during the year	115,446,869	115,402,377
(iv) Face Value of Each Equity Share (Rs)	2	2
(v) Profit after Tax Available for Equity Shareholders		
Profit for the Year (Rs.in Lacs)	291.54	1,928.37
(vi) Basic Earnings per Equity Share (Rs.) [(v)/(iii)]	0.25	1.67
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	485,946	321,993
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	115,932,815	115,724,370
(iii) Diluted Earnings per Equity Share (Rs) [(A)(v)/(B(ii)]	0.25	1.66

31 Employee Benefits

(i) Post-employment Defined Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The Company has increased the maximum limit to Rs.20 Lacs for certain category of employees during the year.

The following tables sets forth the particulars in respecct of the gratuity plan of the Company.

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.11	4.41	25.47	22.74
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	5.70	7.55	21.50	23.26
Total	**10.81**	**11.95**	**46.97**	**46.00**
Expenses recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	15.15	(2.42)	(9.53)	23.46
Total	**15.15**	**(2.42)**	**(9.52)**	**23.46**
Net Liability recognised in Balance Sheet				
Benefit Liability				
Present Value of Defined Benefit Obligation	119.52	135.32	306.85	309.58
Fair Value of Plan Assets	56.91	53.22	–	–
Net Liability	**62.61**	**82.10**	**306.85**	**309.58**
Changes in the present value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	135.32	147.32	309.58	303.69
Current Service Cost	5.11	4.41	25.47	22.74
Interest Cost	9.40	11.34	21.50	23.26
Past Service Cost	–	–	22.68	–
Benefits Paid	(45.46)	(25.33)	(62.87)	(63.57)
Remeasurements (Gains) / Losses				
Financial assumption changes	(2.98)	2.80	(14.12)	14.03
Experience Variance	18.13	(5.22)	4.60	9.43
Closing Defined Benefit Obligation	**119.52**	**135.32**	**306.85**	**309.58**
Changes in the Fair Value of Plan Assets are as follows:				
Fair Value of Plan Assets at the beginning of the year.	53.22	49.42		
Return on Plan Assets	3.69	3.80		
Fair Value of Plan Assets at the end of the year	**56.91**	**53.22**		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Maturity profile of the Defined Benefit Obligation				
Weighted average duration of the Defined Benefit Obligation	4 years	3 years	7 years	6 years
Expected benefit payments for the year ending				
Not later than 1 year	27.87	54.09	66.34	72.72
Later than 1 year and not later than 5 years	92.41	72.01	96.17	99.51
Later than 5 year and not later than 10 years	23.51	33.62	164.22	138.55
More than 10 years	20.16	9.92	247.76	224.47
The principal assumptions used in determining gratuity obligation are shown below:				
Discount rate	7.60%	6.95%	7.60%	6.95%
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company expects to contribute Rs.67.49 Lacs (March 31, 2017 Rs.105.98 Lacs) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

Rs.in Lacs

	Gratuity (Funded)				Gratuity (Unfunded)			
Sensitivity Level	As at March 31, 2018		As at March 31, 2017		As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	(115.26)	124.09	(131.71)	139.21	(287.24)	328.92	(291.28)	330.29
Salary Growth Rate (+/- 1%)	124.16	(115.12)	139.24	(131.61)	326.74	(288.33)	328.90	(292.11)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) Post-employment Defined Contribution Plans:

(A) **Superannuation Fund**

Certain categories of employees of the Company participate in superannuation, a defined contribution plan. The Company has no further obligations under the plan beyond its annual contributions.

(B) **Provident Fund**

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Provident Fund	179.27	146.29
Superannuation Fund	0.54	2.52
Total	**179.81**	**148.81**

(iii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 102.58 lacs (March 31, 2017: Rs. 72.87 lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Rs.in Lacs

	As at March 31, 2018	As at March 31, 2017
Leave provision not expected to be settled within the next 12 months	74.43	54.17

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

(i) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(ii) Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iii) Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

32 Employee Stock Option Plan (ESOP)

The Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Notes to Financial Statements as at and for the year ended March 31, 2018

Tranche 1 - First Allotment

a) **Vesting period**	**As stated below**
Exercise period	Within a period of 6 months from the date of vesting
Grant Date March 4, 2015	
Exercise price	Rs 44.20
Market price at March 4, 2015	Rs 135.60
The vesting schedule of the options is as follows:	
At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	312,500	44.20	340,000	44.20
Lapsed during the year	41,250	44.20	–	–
Forfeited during the year	11,500	44.20	–	–
Exercised during the year	88,500	44.20	27,500	44.20
Outstanding at the end of the year	171,250	44.20	312,500	44.20
Exercisable at the end of the year	28,750	44.20	57,500	44.20

The weighted average fair value of the option as on the grant date is Rs. 102.21 (March 31, 2017: Rs. 100.85) and weighted average contractual life of the option as at March 31, 2018 is 3.78 years (March 31, 2017: 3.15 years).

The weighted average fair value of stock options granted was Rs 141.21 lacs (March 31, 2017: Rs 137.90 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs. For the year ended March 31, 2017, Monte Carlo valuation model was used for computing the weighted average fair value.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
May 19, 2017	123.20
August 28, 2017	110.05
March, 16, 2018	120.65

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 1 - Second Allotment

b)	**Vesting period**	**As stated below**
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	115,000	44.20	–	–
Outstanding at the end of the year	115,000	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 88.35 (March 31, 2017: Nil) and weighted average contractual life of the option as at March 31, 2018 is 3.15 years (March 31, 2017: Nil).

The weighted average fair value of stock options granted was Rs 33.10 lacs (March 31, 2017: Nil). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c)	**Vesting period**	**As stated below**
	Exercise period	Within a period of 6 months from the date of vesting
	Expected Life	4 years
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	2%
	At the end of second year from the date of grant	10%
	At the end of third year from the date of grant	28%
	At the end of fourth year from the date of grant	60%

Notes to Financial Statements as at and for the year ended March 31, 2018

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	382,500	44.20	–	–
Outstanding at the end of the year	382,500	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 89.35 (March 31, 2017: Nil) and weighted average contractual life of the option as at March 31, 2018 is 3.46 years (March 31, 2017: Nil).

The weighted average fair value of stock options granted was Rs 91.96 lacs (March 31, 2017: Nil). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d) Vesting period	**As stated below**
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	November 9, 2017
Exercise price	Rs 44.20
Market price at November 9, 2017	Rs 146.75
The vesting schedule of the options is as follows:	
At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	55,000	44.20	–	–
Outstanding at the end of the year	55,000	44.20	–	–

The weighted average fair value of the options as on the grant date is Rs. 112.07 (March 31, 2017: Nil) and weighted average contractual life of the option as at March 31, 2018 is 3.46 years (March 31, 2017: Nil).

The weighted average fair value of stock options granted was Rs 7.50 lacs (March 31, 2017: Nil). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Company recorded an employee compensation expense of Rs 288.56 lacs (March 31, 2017: Rs. 83.57 lacs) in the Statement of Profit and loss.

33 Leases

Certain office premises and land are obtained by the Company on operating lease. The lease term is for 1-10 years and renewable for further period on mutual consent. These are cancellable by giving a notice period ranging from one month to three months. Lease agreements have price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases.

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Amount of rent and hire expenses included in statement of profit and loss (Note 28) towards operating leases	317.47	269.25

34 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Loans to Subsidiaries :		
(i) Titagarh Wagons AFR		
Balance as at year end	2,015.96	1,731.54
Maximum amount outstanding at any time during the year [Titagarh Wagons AFR has utilised the loan for meeting working capital requirements with an average rate of interest 4% p.a. [March 31, 2017 : 4% p.a]	2,015.96	1,875.55
(ii) Titagarh Capital Private Limited		
Balance as at year end	500.00	1,035.00
Maximum amount outstanding at any time during the year [Titagarh Capital Private Limited has utilised the loan for meeting working capital requirements with an average rate of interest 10% pa. [March 31, 2017 : 14% pa.]	2,535.00	1,035.00
(iii) Titagarh Firema S.p.a		
Balance as at year end	4,837.33	–
Maximum amount outstanding at any time during the year [Titagarh Firema S.p.a has utilised the loan for meeting working capital requirements with an average rate of interest 4% pa. [March 31, 2017 : Nil]	4,837.33	–

35 Commitments

Rs. in Lacs

		As at March 31, 2018	As at March 31, 2017
a)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	222.73	794.75
b)	Corporate Guarantees given / Standby Letter of Credit Issued for subsidiaries for working capital limits sanctioned to the subsidiaries	68,136.27	37,447.86
	The above includes following amounts backed by security as under:		
	Pledge of Investments in Tax Free Bonds [Value of Investments in books carried at amortised cost at March 31, 2018 Rs. 5,582.82 Lacs (March 31, 2017: Rs. 5,560.21 Lacs) - Refer Note 4]	5,091.93	4,693.75
	Pledge of Investments in Subsidiary Companies [Value of Investments in books carried at amortised cost at March 31, 2018 Rs. 15,698.46 Lacs (March 31, 2017: Rs. 8,390.07 Lacs) - Refer Note 4]	22,171.11	23,613.43
	Pledge of assets as detailed in Note 39	14,673.24	9,140.68

c) Titagarh Wagons Limited, the holding company of Cimmco Limited (Cimmco) owns majority of equity and preference shares, directly or indirectly, in Cimmco Limited. Cimmco has been incurring losses over the last few years due to low volume. The Company has given commitment to provide financial support, to the best of its ability, to Cimmco Ltd so as to ensure its business continuity.

d) The Company, has given a put option for a loan obtained by Cimmco limited from ICICI Bank for Rs.4,000.00 lacs (March 31, 2017: Rs. 4,000.00 lacs). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed, the outstanding amount as at March 31, 2018 being Rs. 2,000.00 lacs (March 31, 2017: Rs.3,142.85 Lacs).

36 Contingent Liabilities

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts		
Disputed claims contested by the Company and pending at various courts/arbitration	1,625.95	1,457.50
Matters under appeal with:		
Sales tax authorities	1,275.95	1,027.30
Income tax authorities	285.30	868.07
Customs and excise authorities	14,444.48	11,745.25
Custom Duty on import of equipments and spare parts under EPCG scheme	1,193.25	983.72
	18,824.93	**16,081.84**

In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no further provision for any liability is required in the standalone financial statements.

In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

37 Information relating to Micro and Small Enterprises (MSEs):

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	36.01	16.55
Interest	0.01	–
(i) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
Principal	–	–
Interest	–	–
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	105.21	83.14
Interest	1.09	1.53
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.63	1.53
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	1.10	1.53

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.

38 List of Subsidiaries and Joint Venture of the Company

The Company has following Subsidiaries and Joint Venture for which the Company prepares Consolidated Financial Statements as per Ind AS 110 “Consolidated Financial Statements”. Investment in these subsidiaries and Joint Ventures has been recognised at cost.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion Interest of Ownership	
		March 31 2018	March 31 2017
Titagarh Capital Private Limited (TCPL)	India	100%	100%
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%
Titagarh Wagons AFR (TWA) *	France	100%	100%
Titagarh Firema S.p.A (TFA) **	Italy	100%	90%
Cimmco Limited	India	81.41%	74.76%
Titagarh Agrico Private Limited (TAPL)***	India	N.A	100.00%

*The Company holds 100% equity in TWA together with a wholly owned subsidiary company, TSPL.

**The Company holds 100% equity in TFA together with a wholly owned subsidiary company, TSPL.

*** TAPL has been merged with Cimmco Limited w.e.f April 1, 2016 as the appointed date.

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2018	March 31, 2017
Matiere Titagarh Bridges Pvt Ltd.	India	50%	50%

39 Assets Pledged as Security for Working Capital Loans Availed by the Subsidiaries Companies

The foreign subsidiaries of the Company has been sanctioned with a working capital facility for Rs 17,736.88 lacs (Euro 22.00 million) [March 31, 2017: 15,234.47 Lacs (Euro 22.00 Million)] which is secured by the following assets of the Company:

First charge on the current assets, both present and future and by way of collateral charge on entire fixed assets (excluding vehicles) of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium bankers.

The total working capital facility that has been drawn out of the above sanctioned facility as on March 31, 2018 is Rs 13,705.77 lacs (Euro 17.00 million) [March 31, 2017: 8,315.44 Lacs (Euro 12.00 Million)]

40 Segment Information

The Company's Board of Directors examines the Company's performance on the basis of its business and has identified following reportable segments:

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, etc which comprises of less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the standalone financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of assets.

Information about Operating Segments

For the year ended March 31, 2018

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**23,260.62**	**4,150.84**	**3,516.72**	**723.87**	**31,652.05**
Segment Profit	**18.83**	**619.93**	**549.08**	**248.84**	**1,436.68**
Unallocated (Income) / Expenses					
Finance Costs					864.45
Interest Income					(1,160.82)
Depreciation and Amortisation Expense					372.47
Other Corporate Income					(1,167.38)
Other Corporate Expenses					2,606.75
Profit before Taxes					**(78.79)**
Tax Expenses					(370.33)
Profit for the Year					**291.54**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	874.73	3.83	46.17	–	924.73
Provision for Doubtful Debts and Advances	361.15	107.57	27.24	2.10	498.06
Segment Assets	**47,843.20**	**7,252.16**	**6,121.34**	**605.34**	**61,822.04**
Unallocated Assets					
Investments					38,356.86
Cash and Cash Equivalents					272.84
Other Bank Balances					1,244.48
Tax Assets (Net)					2,644.45
Other Unallocated Assets					13,913.38
Total Assets					**118,254.05**
Segment Liabilities	**6,026.56**	**2,259.30**	**7,182.45**	**327.68**	**15,795.99**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					2,968.07
Borrowings					9,916.30
Current Tax Liabilities					29.56
Other Unallocated Liabilities					557.45
Total Liabilities					**29,267.37**

Notes to Financial Statements as at and for the year ended March 31, 2018

For the year ended March 31, 2017

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**29,341.56**	**7,171.51**	**–**	**520.53**	**37,033.60**
Segment Profit / (Loss)	**2,023.09**	**1,398.55**	**(192.19)**	**298.48**	**3,527.93**
Unallocated (Income) / Expenses					
Finance Costs					438.44
Interest Income					(1,225.70)
Depreciation and Amortisation Expense					139.42
Other Corporate Income					(944.48)
Other Corporate Expenses					2,488.84
Profit before Taxes					**2,631.41**
Tax Expenses					703.04
Profit after Taxes					**1,928.37**
Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	985.46	21.32	9.82	–	1,016.60
Provision for Doubtful Debts and Advances	33.32	20.00		–	53.32
Unspent Liabilities / Provisions No Longer Required Written Back	(226.35)	(0.70)		(7.09)	(234.14)
Segment Assets	**50,108.67**	**5,366.14**	**653.84**	**757.06**	**56,885.71**
Unallocated Assets					
Investments					36,308.82
Cash and Cash Equivalents					468.55
Other Bank Balances					1,146.89
Tax Assets (Net)					2,765.64
Other Unallocated Assets					10,219.15
Total Assets					**107,794.76**
Segment Liabilities	**6,299.61**	**2,394.44**	**817.09**	**113.26**	**9,624.40**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					3,512.23
Borrowings					4,336.63
Current Tax Liabilities					29.56
Other Unallocated Liabilities					809.22
Total Liabilities					**18,312.04**

Entity-wide Disclosures:

(a) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	26,594.82	34,018.46
Rest of the World	5,057.23	3,015.14
Total	**31,652.05**	**37,033.60**

(b) All non-current assets (excluding Financial Assets) of the Company are located in India

(c) Total revenue from external customers includes sales to Indian Railways of Rs 6,313.74 lacs (March 31, 2017: Rs 17,882.21 lacs) and to Ministry of Defence of Rs 3,586.22 lacs ((March 31, 2017 : Rs 4,523.38 lacs) which represents more than 10% of the total revenue from external customers of the Company.

41 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related Parties where control exists:

Subsidiary Companies:	Titagarh Singapore Pte Limited Titagarh Firema S.p.A (erstwhile Titagarh Firema Adler S.p.A) Titagarh Wagons AFR Cimmco Limited Titagarh Capital Private Limited Titagarh Agrico Private Limited [merged with Cimmco Limited -Refer Note 4(f)]
Joint Venture Company:	Matiere Titagarh Bridges Pvt Ltd [Jointly controlled Entity (w.e.f January 2, 2017)]

Other Related Parties with whom transactions have taken place during the year:

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Dharmendar Nath Davar – Independent Director Mr. Manoj Mohanka – Independent Director Mrs. Rashmi Chowdhary – Non-Executive Director Mr. Shekhar Dutta – Independent Director - Resigned (w.e.f July 31, 2017) Mr. Ramsebak Bandyopadhyay – Independent Director (w.e.f August 10, 2017) Mr. Atul Ravishanker Joshi – Independent Director (w.e.f January 24, 2018) Mr. Sudev Chandra Das – Independent Director Resigned (w.e.f October 27, 2016) Mr. Sunirmal Talukdar – Independent Director Mr. Sudipta Mukherjee – Director (Whole-time Director) Mr. Anil Kumar Agarwal – Chief Financial Officer Mr. Dinesh Arya – Company Secretary
Close Family Member of the KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Ms. Bimla Devi Kajaria, Mother of Ms. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited (formerly Titagarh Papers Limited) Titagarh Industries Limited (formerly Kankinara Enterprises Limited) Tecalemit Industries Limited

Notes to Financial Statements as at and for the year ended March 31, 2018

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Statement of Profit and Loss							
Sale of Products							
Cimmco Limited	**2017-18** 2016-17	**1,949.02** 1,789.64	**–** –	**–** –	**–** –	**–** –	**1,949.02** 1,789.64
Titagarh Wagons AFR	**2017-18** 2016-17	**2,019.12** 134.12	**–** –	**–** –	**–** –	**–** –	**2,019.12** 134.12
Management Fees							
Titagarh Wagons AFR	**2017-18** 2016-17	**181.05** 176.66	**–** –	**–** –	**–** –	**–** –	**181.05** 176.66
Rent Income							
Titagarh Agrico Private Limited	**2017-18** 2016-17	**–** 2.94	**–** –	**–** –	**–** –	**–** –	**–** 2.94
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**–** –	**3.00** –	**–** –	**–** –	**–** –	**3.00** –
Interest Income on Loans to Subsidiaries							
Titagarh Wagons AFR	**2017-18** 2016-17	**75.44** 125.44	**–** –	**–** –	**–** –	**–** –	**75.44** 125.44
Titagarh Firema S.p.A	**2017-18** 2016-17	**25.07** –	**–** –	**–** –	**–** –	**–** –	**25.07** –
Titagarh Capital Private Limited	**2017-18** 2016-17	**200.09** 134.91	**–** –	**–** –	**–** –	**–** –	**200.09** 134.91
Corporate Guarantee Commission							
Titagarh Singapore Pte Limited	**2017-18** 2016-17	**134.76** 62.70	**–** –	**–** –	**–** –	**–** –	**134.76** 62.70
Titagarh Wagons AFR	**2017-18** 2016-17	**21.26** 18.51	**–** –	**–** –	**–** –	**–** –	**21.26** 18.51
Titagarh Firema S.p.A	**2017-18** 2016-17	**49.78** 16.90	**–** –	**–** –	**–** –	**–** –	**49.78** 16.90
Dividend Income							
Titagarh Wagons AFR	**2017-18** 2016-17	**–** 122.57	**–** –	**–** –	**–** –	**–** –	**(–)** 122.57

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Nature of transactions	Year	Subsidiary Companies	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Statement of Profit and Loss							
Purchase of Raw Materials and Components							
Cimmco Limited	**2017-18**	**119.06**	**–**	**–**	**–**	**–**	**119.06**
	2016-17	126.76	–	–	–	–	126.76
Titagarh Wagons AFR	**2017-18**	**–**	**–**	**–**	**–**	**–**	**–**
	2016-17	408.63	–	–	–	–	408.63
Titagarh Industries Limited	**2017-18**	**–**	**–**	**28.86**	**–**	**–**	**28.86**
	2016-17	–	–	32.06	–	–	32.06
Job Processing and Other Machining Charges (including Contract Labour Charges)							
Cimmco Limited	**2017-18**	**344.21**	**–**	**–**	**–**	**–**	**344.21**
	2016-17	475.10	–	–	–	–	475.10
Reimbursement of Expenses Paid							
Cimmco Limited	**2017-18**	**–**	**–**	**–**	**–**	**–**	**–**
	2016-17	1.86	–	–	–	–	1.86
Reimbursement of Expenses Received							
Cimmco Limited	**2017-18**	**367.40**	**–**	**–**	**–**	**–**	**367.40**
	2016-17	–	–	–	–	–	–
Titagarh Enterprises Limited	**2017-18**	**–**	**–**	**15.34**	**–**	**–**	**15.34**
	2016-17	–	–	–	–	–	–
Titagarh Singapore Pte Limited	**2017-18**	**54.90**	**–**	**–**	**–**	**–**	**54.90**
	2016-17	64.22	–	–	–	–	64.22
Titagarh Firema S.p.A	**2017-18**	**498.22**	**–**	**–**	**–**	**–**	**498.22**
	2016-17	178.87	–	–	–	–	178.87
Rent Paid							
Titagarh Enterprises Limited	**2017-18**	**–**	**–**	**228.40**	**–**	**–**	**228.40**
	2016-17	–	–	169.77	–	–	169.77
Dividend Paid							
Ms. Savitri Devi Chowdhary	**2017-18**	**–**	**–**	**–**	**–**	**144.93**	**144.93**
	2016-17	–	–	–	–	–	–
Ms. Rashmi Chowdhary	**2017-18**	**–**	**–**	**–**	**102.53**	**–**	**102.53**
	2016-17	–	–	–	–	–	–
Mr. J P Chowdhary	**2017-18**	**–**	**–**	**–**	**1.25**	**–**	**1.25**
	2016-17	–	–	–	–	–	–
Mr. Umesh Chowdhary	**2017-18**	**–**	**–**	**–**	**0.62**	**–**	**0.62**
	2016-17	–	–	–	–	–	–
Ms. Vinita Bajoria	**2017-18**	**–**	**–**	**–**	**–**	**0.00***	**0.00***
	2016-17	–	–	–	–	–	–
Ms. Sumita Kandoi	**2017-18**	**–**	**–**	**–**	**–**	**0.00***	**0.00***
	2016-17	–	–	–	–	–	–
Mr. Anil Kumar Agarwal	**2017-18**	**–**	**–**	**–**	**0.10**	**–**	**0.10**
	2016-17	–	–	–	–	–	–

*Amounts are below the rounding adopted by the Company

Nature of transactions	Year	Subsidiary Companies	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**–** –	**0.05** –	**–** –	**0.05** –
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**–** –	**0.10** –	**–** –	**0.10** –
Titagarh Capital Management Services Private Limited	**2017-18** 2016-17	**–** –	**–** –	**173.36** –	**–** –	**–** –	**173.36** –
Bimla Devi Kajaria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** –	**0.01** –	**0.01** –
Remuneration (excluding employee stock option expense) [Refer (b) below]							
Mr. J P Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** –	**257.28** 127.32	**–** –	**257.28** 127.32
Mr. Umesh Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** –	**257.28** 127.32	**–** –	**257.28** 127.32
Ms. Vinita Bajoria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** –	**27.64** 27.64	**27.64** 27.64
Mr. Anil Kumar Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** –	**52.34** 44.70	**–** –	**52.34** 44.70
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**–** –	**26.32** 25.95	**–** –	**26.32** 25.95
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**–** –	**40.73** 41.99	**–** –	**40.73** 41.99
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** –	**24.06** 12.29	**–** –	**24.06** 12.29
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**–** –	**24.06** 12.29	**–** –	**24.06** 12.29
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**–** –	**13.23** 6.14	**–** –	**13.23** 6.14
Sitting Fees and Commission to Directors							
Mr. Sudev Chandra Das	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 2.68	**–** –	**–** 2.68
Mr. Dharmendar Nath Davar	**2017-18** 2016-17	**–** –	**–** –	**–** –	**7.60** 11.36	**–** –	**7.60** 11.36
Mr. Manoj Mohanka	**2017-18** 2016-17	**–** –	**–** –	**–** –	**8.40** 10.48	**–** –	**8.40** 10.48
Mr. Atul Ravishanker Joshi	**2017-18** 2016-17	**–** –	**–** –	**–** –	**1.20** –	**–** –	**1.20** –
Mr. Ramsebak Bandyopadhyay	**2017-18** 2016-17	**–** –	**–** –	**–** –	**4.40** –	**–** –	**4.40** –
Mrs. Rashmi Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** –	**2.00** 2.40	**–** –	**2.00** 2.40
Mr. Shekhar Dutta	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 5.28	**–** –	**–** 5.28
Mr. Sunirmal Talukdar	**2017-18** 2016-17	**–** –	**–** –	**–** –	**6.80** 7.68	**–** –	**6.80** 7.68

Nature of transactions	Year	Subsidiary Companies	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Balance Sheet							
Purchase of Property, Plant and Equipment / Intangible Assets							
Titagarh Wagons AFR	**2017-18**	**–**	**–**	**–**	**–**	**–**	**–**
	2016-17	1,526.02	–	–	–	–	1,526.02
Cimmco Limited	**2017-18**	**20.12**	**–**	**–**	**–**	**–**	**20.12**
	2016-17	14.82	–	–	–	–	14.82
Sale of Property, Plant and Equipment							
Cimmco Limited	**2017-18**	**5.88**	**–**	**–**	**–**	**–**	**5.88**
	2016-17	3.06	–	–	–	–	3.06
Advance from Customers							
Titagarh Wagons AFR	**2017-18**	**–**	**–**	**–**	**–**	**–**	**–**
	2016-17	608.28	–	–	–	–	608.28
Loans Given							
Mr. Anil Kumar Agarwal	**2017-18**	**–**	**–**	**–**	**–**	**–**	**–**
	2016-17	–	–	–	60.00	–	60.00
Titagarh Capital Private Limited	**2017-18**	**3,000.00**	**–**	**–**	**–**	**–**	**3,000.00**
	2016-17	450.00	–	–	–	–	450.00
Titagarh Firema S.p.A	**2017-18**	**4,723.20**	**–**	**–**	**–**	**–**	**4,723.20**
	2016-17	–	–	–	–	–	–
Investments Made [Also Refer Note 4(f)]							
Titagarh Agrico Private Limited	**2017-18**	**–**	**–**	**–**	**–**	**–**	**–**
	2016-17	1,260.00	–	–	–	–	1,260.00
Titagarh Singapore Pte. Ltd.	**2017-18**	**1,684.51**	**–**	**–**	**–**	**–**	**1,684.51**
	2016-17	5,623.88	–	–	–	–	5,623.88
Matiere Titagarh Bridges Pvt Ltd	**2017-18**	**–**	**74.99**	**–**	**–**	**–**	**74.99**
	2016-17	–	0.50	–	–	–	0.50
Loans Refunded							
Titagarh Capital Private Limited	**2017-18**	**3,535.00**	**–**	**–**	**–**	**–**	**3,535.00**
	2016-17	–	–	–	–	–	–
Guarantees / Investment pledged / Put Options Given							
Titagarh Singapore Pte. Ltd.	**2017-18**	**11,231.11**	**–**	**–**	**–**	**–**	**11,231.11**
	2016-17	–	–	–	–	–	–
Cimmco Limited (Refer Note 35)	**2017-18**	**19,000.00**	**–**	**–**	**–**	**–**	**19,000.00**
	2016-17	–	–	–	–	–	–
Guarantees / Investment pledged / Put Options Released							
Titagarh Wagons AFR	**2017-18**	**4,069.86**	**–**	**–**	**–**	**–**	**4,069.86**
	2016-17	–	–	–	–	–	–
Balance outstanding as at the year end							
Trade Receivables							
Titagarh Wagons AFR	**2017-18**	**1,765.95**	**–**	**–**	**–**	**–**	**1,765.95**
	2016-17	–	–	–	–	–	–

Notes to Financial Statements as at and for the year ended March 31, 2018

Nature of transactions	Year	Subsidiary Companies	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
Cimmco Limited	**2017-18** 2016-17	**608.71** 1,664.03	**–** –	**–** –	**–** –	**–** –	**608.71** 1,664.03
Trade Payables							
Titagarh Wagons AFR	**2017-18** 2016-17	**37.20** –	**–** –	**–** –	**–** –	**–** –	**37.20** –
Titagarh Enterprises Limited	**2017-18** 2016-17	**–** –	**–** –	**20.55** –	**–** –	**–** –	**20.55** –
Titagarh Industries Limited	**2017-18** 2016-17	**–** –	**–** –	**0.21** –	**–** –	**–** –	**0.21** –
Loans to Related Parties							
Titagarh Wagons AFR	**2017-18** 2016-17	**2,015.96** 1,731.54	**–** –	**–** –	**–** –	**–** –	**2,015.96** 1,731.54
Titagarh Capital Private Limited	**2017-18** 2016-17	**500.00** 1,035.00	**–** –	**–** –	**–** –	**–** –	**500.00** 1,035.00
Titagarh Firema S.p.a	**2017-18** 2016-17	**4,837.33** –	**–** –	**–** –	**–** –	**–** –	**4,837.33** –
Interest Accrued on Loans							
Titagarh Wagons AFR	**2017-18** 2016-17	**87.57** 12.04	**–** –	**–** –	**–** –	**–** –	**87.57** 12.04
Titagarh Capital Private Limited	**2017-18** 2016-17	**42.02** –	**–** –	**–** –	**–** –	**–** –	**42.02** –
Titagarh Firema S.p.a	**2017-18** 2016-17	**25.26** –	**–** –	**–** –	**–** –	**–** –	**25.26** –
Receivable from Related Parties							
Titagarh Wagons AFR	**2017-18** 2016-17	**234.03** 17.00	**–** –	**–** –	**–** –	**–** –	**234.03** 17.00
Titagarh Singapore Pte. Ltd.	**2017-18** 2016-17	**153.97** 25.57	**–** –	**–** –	**–** –	**–** –	**153.97** 25.57
Titagarh Firema S.p.a	**2017-18** 2016-17	**335.79** 196.22	**–** –	**–** –	**–** –	**–** –	**335.79** 196.22
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**–** –	**72.66** –	**–** –	**–** –	**–** –	**72.66** –
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** –	**34.50** 34.50	**–** –	**34.50** 34.50
Advances from Customers							
Titagarh Wagons AFR	**2017-18** 2016-17	**243.31** 844.47	**–** –	**–** –	**–** –	**–** –	**243.31** 844.47
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**–** –	**41.05** –	**–** –	**–** –	**–** –	**41.05** –

Nature of transactions	Year	Subsidiary Companies	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
Employee Related Liabilities							
Mr. J P Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 14.04	**–** –	**–** 14.04
Mr. Umesh Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 14.04	**–** –	**–** 14.04
Ms. Vinita Bajoria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 1.45	**–** –	**–** 1.45
Mr. Anil Kumar Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 2.65	**–** –	**–** 2.65
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 1.12	**–** –	**–** 1.12
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 1.88	**–** –	**–** 1.88
Investments							
Titagarh Wagons AFR	**2017-18** 2016-17	**2,864.60** 2,864.60	**–** –	**–** –	**–** –	**–** –	**2,864.60** 2,864.60
Titagarh Singapore Pte. Ltd.	**2017-18** 2016-17	**12,833.86** 11,149.35	**–** –	**–** –	**–** –	**–** –	**12,833.86** 11,149.35
Titagarh Firema S.p.a	**2017-18** 2016-17	**127.75** 127.75	**–** –	**–** –	**–** –	**–** –	**127.75** 127.75
Cimmco Limited	**2017-18** 2016-17	**10,171.25** 6,334.59	**–** –	**–** –	**–** –	**–** –	**10,171.25** 6,334.59
Titagarh Capital Private Limited	**2017-18** 2016-17	**4,042.57** 4,042.57	**–** –	**–** –	**–** –	**–** –	**4,042.57** 4,042.57
Titagarh Agrico Private Limited	**2017-18** 2016-17	**–** 1,260.00	**–** –	**–** –	**–** –	**–** –	**–** 1,260.00
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**–** –	**75.49** 0.50	**–** –	**–** –	**–** –	**75.49** 0.50
Commitments - Corporate Guarantees / Standby Letter of Creditg / Put Options Outstanding [Also Refer Note 35 (b), (c), (d) and 39)							
Titagarh Wagons AFR	**2017-18** 2016-17	**3,547.38** 7,617.24	**–** –	**–** –	**–** –	**–** –	**3,547.38** 7,617.24
Titagarh Singapore Pte. Ltd.	**2017-18** 2016-17	**34,946.77** 20,689.95	**–** –	**–** –	**–** –	**–** –	**34,946.77** 20,689.95
Titagarh Firema S.p.a	**2017-18** 2016-17	**10,642.13** 9,140.68	**–** –	**–** –	**–** –	**–** –	**10,642.13** 9,140.68
Cimmco Limited (Refer Note 35)	**2017-18** 2016-17	**21,000.00** 4,000.00	**–** –	**–** –	**–** –	**–** –	**21,000.00** 4,000.00

Notes :

a) Terms and Conditions of Transactions with Related PartiesTransactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free (except loans given) and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Remuneration to Key Management Personnel

Rs in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	591.01	341.25
Contribution to provident and other funds	42.93	26.03
Share-based payment transactions	61.34	30.72
	695.28	**398.00**

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

42 Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2018 and March 31, 2017.

Rs. in Lacs

	Date of Valuation	Level 2	Level 3	Total
Quantitative disclosures fair value measurement hierarchy for Assets:				
Assets measured at Fair Value:				
Foreign Exchange Forward Contracts	March 31, 2018	–	–	–
	March 31, 2017	169.89	–	169.89
Investments	March 31, 2018	–	2,421.84	2,421.84
	March 31, 2017	–	2,395.62	2,395.62
Total Financial Assets		**169.89**	**4,817.46**	**4,987.35**
Quantitative disclosures Fair Value measurement hierarchy for Liabilities:				
Liabilities measured at Fair Value:				
Liability for Derivatives	March 31, 2018	115.79	–	115.79
	March 31, 2017	–	–	
Total Financial Assets		**115.79**	**–**	**115.79**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2018 and March 31, 2017 are as shown below:

Rs. in Lacs

	March 31, 2018	March 31, 2017
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	195.58	194.28
Impact of 1% Decrease	268.61	276.62
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company		
Impact of 5% Increase	70.94	75.51
Impact of 5% Decrease	70.94	75.51

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

	Investment in unquoted equity shares
Closing Balance as on March 31, 2016	**2,131.68**
Re-measurement recognised in Statement of Profit and Loss	263.94
Closing Balance as on March 31, 2017	**2,395.62**
Re-measurement recognised in Statement of Profit and Loss	26.22
Closing Balance as on March 31, 2018	**2,421.84**

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contarcts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largly due to the short-term maturities of these instruments.

(c) For financial assets / liabilities acrried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

43 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise short-term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Company has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company. The Board of Directors also review these risks and related risk management policy which are summarised below:

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as commodity price risk and equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, loan to foreign subsidiaries, other receivables etc.

(i) Foreign currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, borrowings and loans to subsidiaries. Such foreign currency exposures are hedged by the Company through use of foreign exchange forward contracts. The Company has a treasury team which monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company.

The Company's foreign currency exposure at the end of the reporting period are as follows:

Rs in Lacs

	March 31, 2018		March 31, 2017	
Particulars	USD	EURO	USD	EURO
Financial Assets				
Trade Receivables	–	1,706.06	–	–
Other Financial Assets	–	7,681.15	25.57	1,950.72
Derivative Assets				
Foreign Exchange Forward Contracts	(4,424.56)	(9,685.68)	–	(2,125.90)
Net exposure to Foreign Currency Risk (Assets)	(4,424.56)	(298.47)	25.57	(175.18)
Financial Liabilities				
Borrowings	1,031.66	712.97	2,593.54	–
Trade Payables	552.14	50.42	–	236.19
Derivative Liabilities				
Foreign Exchange Forward Contracts	(2,998.41)	(923.39)	(2,593.54)	–
Net Exposure to Foreign Currency Risk (Liabilities)	(1,414.61)	(160.00)	–	236.19
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	**(3,009.95)**	**(138.47)**	**25.57**	**(411.37)**

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2018	5% -5%	(138.47)	(6.92) 6.92	5% –5%	(3,009.95)	(150.50) 150.50
March 31, 2017	5% -5%	(411.37)	(20.57) 20.57	5% –5%	25.57	1.28 (1.28)

(ii) Equity price risks

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.The Company only invests in the equity shares of the subsidiaries and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries and group companies based on the respective business plan of each of the companies. Reports on the investment portfolio along with the financial performance of the subsidiaries and group companies are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.The Company's investment in quoted equity instruments (other than subsidiaries) is not material. For sensitivity analysis of Company's investments in equity instruments, Refer Note 42(iii).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.The Company's investments in bonds and term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Variable Rate Borrowings	8,171.68	11.90
Fixed Rate Borrowings	1,744.62	4,324.73
Total Borrowings	**9,916.30**	**4,336.63**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Rs. in Lacs

	Impact on Profit before Tax	
	March 31, 2018	March 31, 2017
Interest Rates - Increase by 100 basis points *	(81.72)	(0.12)
Interest Rates - Decrease by 100 basis points*	81.72	0.12

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks and investments in tax free bonds). The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2018 and March 31, 2017 is their carrying amounts except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 35(b).

(a) Trade and Other Receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivable are non-interest bearing. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.The Company uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information.Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc is managed by the Company's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Company's policy.

(c) Reconciliation of Impairment Provision

(Rs. in Lacs)

	Security Deposits	Charges Recoverable	Trade Receivable
Opening Balance as at March 31, 2016	**38.13**	**–**	**158.31**
Provision made during the year ended March 31, 2017	–	–	55.00
Provision written back during the year ended March 31, 2017	–	–	(158.31)
Closing Balance as at March 31, 2017	**38.13**	**–**	**55.00**
Provision made during the year ended March 31, 2018	3.50	24.48	464.88
Provision written back during the year ended March 31, 2018	–	–	(35.00)
Closing Balance as at March 31, 2018	**41.63**	**24.48**	**484.88**

The impairment provision as disclosed above are based on assumptions about risk of defaulst and expected credit losses rates. The Company uses judgement in making these assumptions based on the Company's past history, existuing market conditions as well as forward looking estimates at the end of each reporting period.

III) Liquidity Risks

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial Liabilities

Maturity profile of all financial liabilities is as under:

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Maturing within one Year		
Non-derivative Financial Liabilities		
Borrowings	9,916.30	4,336.63
Trade Payables	3,699.95	3,653.30
Other Financial Liabilities @	312.06	647.36
Derivative Financial Liabilities		
Foreign Exchange Forward Contracts	115.79	–
Total Financial Liabilities	**14,044.10**	**8,637.29**

@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

44 Capital Management

(a) Risk Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Total Borrowings	9,916.30	4,336.63
Less: Cash and Cash Equivalents	272.84	468.55
Net Debt	9,643.46	3,868.08
Equity	88,986.68	89,482.72
Total Capital (Equity + Net Debt)	**98,630.14**	**93,350.80**
Net Debt to Equity Ratio	**10.84%**	**4.32%**

(b) Dividends on Equity Shares

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2017 of Rs. 0.80 (March 31, 2017 - Nil) per fully paid share	923.58	–
Dividend Distribution Tax on above	188.02	–
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. 0.30 (March 31, 2017- Rs. 0.80) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	346.50	923.58
Dividend Distribution Tax on above	70.55	188.02

45 Details on Construction Contracts in accordance with the requirements of the Indian Accounting Standard (Ind AS 11)

Rs. in Lacs

	March 31, 2018	March 31, 2017
Contract revenue recognised for the year	6,184.06	5,197.77
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto year ended for all the contracts in progress	20,296.80	14,112.73
The amount of customer advances outstanding for contracts in progress at the year end	6,473.75	1,227.93
The amount of retention due from customers for contracts in progress as at the year end	1,196.25	761.25
Gross amount due from customers for contracts in progress	4,827.92	2,385.90

46 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Current Borrowings	9,916.30	4,336.63
Interest Accrued	24.01	2.42
Total	**9,940.31**	**4,339.05**

Notes to Financial Statements as at and for the year ended March 31, 2018

Rs. in Lacs

Debt as at March 31, 2017 (including interest accrued)	**4,339.05**
Finance Costs	864.45
Cash Flows	
Short-term Borrowings - Receipts/(Payments)	5,569.02
Finance Costs Paid	(842.87)
Non-cash Transactions	
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	10.66
Debt as at March 31, 2018 (including interest accrued)	**9,940.31**

47 Utilisation of Money Raised Through Qualified Institutional Placement

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Unutilised amount at the beginning of the year	–	3,292.25
Less: Amount utilised during the year	–	3,292.25
Unutilised amount at the end of the year	**–**	**–**

48 Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below:

Rs. in Lacs

	SBNs#	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**10.20**	**5.47**	**15.67**
(+) Permitted receipts *	–	5.40	5.40
(-) Permitted payments	–	10.52	10.52
(-) Amount deposited in Banks	10.20	–	10.20
Closing cash in hand as on December 30, 2016	**–**	**0.35**	**0.35**

* Represents cash withdrawals from bank accounts across various locations for petty cash purposes.

For the purposes of this clause, the term 'Specified Bank Notes' (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016.

49 Research and Development expenditure of revenue nature recognised in Profit and Loss during the year amounts to Rs. 37.87 Lacs (March 31, 2017 : 54.10 Lacs)

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Independent Auditor's Report

To
The Members of
Titagarh Wagons Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Titagarh Wagons Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture; [refer Note 1(a) to the attached consolidated Ind AS financial statements], comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group and joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The

procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

7. We draw attention to Note 7(a) to the consolidated Ind AS financial statements regarding certain claims lying in the books of a subsidiary of the Holding Company amounting to Rs. 854.81 lacs (Rs. 854.81 lacs as at March 31, 2017) net of expected credit loss of Rs. 3,097.53 lacs (Rs. 3,097.53 lacs as at March 31, 2017), which has been considered good and recoverable by the management. Pending outcome of subsidiary company's appeal against the arbitration order and final decision of the Hon'ble High Court of Delhi, we are unable to comment on the recoverability of the above, and its consequential impact on these consolidated Ind AS financial statements.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and joint venture as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of Rs. 156,858.54 lacs and net assets of Rs. 23,169.92 lacs as at March 31, 2018, total revenue of Rs. 87,848.37 lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (12,327.01) lacs and net cash flows amounting to Rs. 1,960.68 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements.The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. (32.36) lacs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of one joint venture whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

10. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were

audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 19, 2017, expressed a modified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Indian AccountingStandards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and joint venture – Refer Note 37 to the consolidated Ind AS financial statements.

        ii. The Group and joint venture had long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses other than in respect of a subsidiary where provision has been made in the consolidated Ind AS financial statements, as required under the accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2018 – Refer Note 38 to the consolidated Ind AS financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary companies and joint venture incorporated in India during the year ended March 31, 2018.

iv The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number 056155

Kolkata
May 29, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(g) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one joint venture company incorporated in India namely Matiere Titagarh Bridges Pvt Ltd, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements

includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of one of the subsidiary company's internal financial controls with reference to financial statements as at March 31, 2018:

   The subsidiary company's internal financial controls relating to review of Claims Receivable for appropriate provisioning did not operate effectively which resulted in non-ascertainment of adequate provision against certain Claims Receivable due from a customer (Refer the Basis for Qualified Opinion paragraph in the main audit report).

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

11. We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Holding Company for the year ended March 31, 2018, and the material weakness has affected our opinion on the consolidated Ind AS financial statements of the Holding Company for the year ended on that date and we have issued a qualified opinion on the consolidated Ind AS financial statements (Refer paragraph 8 of the main audit report).

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Kolkata Partner
May 29, 2018 Membership Number 056155

Consolidated Balance Sheet as at March 31, 2018

Rs.in Lacs

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	91,430.80	88,097.17
b) Capital Work-in-progress		2,323.16	1,230.06
c) Investment Properties	4.3	821.24	821.24
d) Goodwill on Consolidation	4.2	402.25	402.25
e) Other Intangible Assets	4.2	3,095.43	3,985.56
f) Intangible Assets Under Development		387.29	315.73
g) Investments Accounted for Using the Equity Method	3(d)	43.13	-
h) Financial Assets			
i) Investments	5	8,241.59	8,190.88
ii) Trade Receivables	6	171.68	301.59
iii) Loans and Deposits	8	233.79	302.23
iv) Other Financial Assets	7	1,047.19	1,903.99
i) Deferred Tax Assets (Net)	18	3,076.72	694.12
j) Non-current Tax Assets (Net)	9	1,692.76	1,933.98
k) Other Non-current Assets	10	496.07	767.17
Total Non-current Assets		**113,463.10**	**108,945.97**
Current Assets			
a) Inventories	11	44,153.96	53,728.43
b) Financial Assets			
i) Trade Receivables	6	27,614.08	23,401.49
ii) Cash and Cash Equivalents	12.1	5,840.23	3,382.25
iii) Other Bank Balances	12.2	1,531.47	1,238.19
iv) Loans and Deposits	8	9,467.35	4,253.91
v) Other Financial Assets	7	46,622.75	55,890.18
c) Current Tax Assets (Net)	9	1,010.99	306.77
d) Other Current Assets	10	22,255.69	19,043.91
Total Current Assets		**158,496.52**	**161,245.13**
TOTAL - ASSETS		**271,959.62**	**270,191.10**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,310.01	2,308.24
b) Other Equity	14	83,156.69	94,449.06
Equity Attributable to Owners of Titagarh Wagons Limited		**85,466.70**	**96,757.30**
Non-controlling Interests	3 (b)	6,356.16	7,881.07
Total Equity		**91,822.86**	**104,638.37**
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	18,725.05	15,978.01
ii) Other Financial Liabilities	16	4,548.12	3,657.25
b) Provisions	17.1	298.08	339.80
c) Deferred Tax Liabilities (Net)	18	6,391.41	6,923.94
Total Non-current Liabilities		**29,962.66**	**26,899.00**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	38,920.94	18,206.23
ii) Trade Payables	19	30,630.55	44,249.17
iii) Other Financial Liabilities	16	11,498.58	8,086.61
b) Other Current Liabilities	20	51,042.72	54,139.52
c) Provisions	17.1	16,198.41	11,329.50
d) Current Tax Liabilities (Net)	17.2	1,882.90	2,642.70
Total Current Liabilities		**150,174.10**	**138,653.73**
TOTAL - LIABILITIES		**180,136.76**	**165,552.73**
TOTAL - EQUITY AND LIABILITIES		**271,959.62**	**270,191.10**

The accompanying Notes form an integral part of the Consolidated Balance Sheet.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

TITAGARH

Consolidated Statement of Profit & Loss as at March 31, 2018

Rs.in Lacs

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from Operations	21	127,143.84	173,918.93
Other Income	22	2,987.86	2,901.78
Total Income		**130,131.70**	**176,820.71**
Expenses			
Cost of Raw Materials and Components Consumed	23	69,237.26	91,519.83
Purchase of Traded Goods		2.37	-
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	24	6,484.22	16,460.11
Excise Duty Expense		325.20	2,559.05
Employee Benefits Expense	25	23,932.13	21,213.14
Finance Costs	26	4,405.99	3,130.89
Depreciation and Amortisation Expense	27	5,083.58	5,152.44
Other Expenses	28	36,837.06	31,359.88
Total Expenses		**146,307.81**	**171,395.34**
Profit / (Loss) before Share of Net Loss of a Joint Venture Accounted for Using the Equity Method, Exceptional Items and Tax		(16,176.11)	5,425.37
Share of Net Loss of a Joint Venture Accounted for Using the Equity Method	3 (d)	32.36	5.80
Profit / (Loss) before Exceptional Items and Tax		(16,208.47)	5,419.57
Exceptional Items	29	509.12	449.91
Profit / (Loss) before Tax		**(16,717.59)**	**4,969.66**
Income Tax Expense / (Benefit)	30 (A)		
Current Tax		808.48	2,528.11
Deferred Tax		(2,802.64)	(301.52)
Total Income Tax Expense / (Benefit)		**(1,994.16)**	**2,226.59**
Profit / (Loss) for the Year		**(14,723.43)**	**2,743.07**
Attributable to:			
Owners of Titagarh Wagons Limited		(14,362.26)	2,690.27
Non-controlling Interests		(361.17)	52.80
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Losses on Defined Benefit Plans	32(i)	(6.25)	(69.41)
Income Tax on above	30 (B)	1.97	26.04
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange Differences on Translation of Foreign Operations		3,531.02	(1,181.29)
Other Comprehensive Income for the Year (Net of Tax)		3,526.74	(1,224.66)
Attributable to:			
Owners of Titagarh Wagons Limited		3,526.97	(1,223.90)
Non-controlling Interests		(0.23)	(0.76)
Total Comprehensive Income for the Year		**(11,196.69)**	**1,518.41**
Attributable to:			
Owners of Titagarh Wagons Limited		(10,835.29)	1,466.36
Non-controlling Interests		(361.40)	52.05
Earnings/(Loss) per Equity Share[Nominal Value per Share Rs. 2/- (March 31, 2017: Rs 2/-)]	31		
Basic (In Rs.)		(12.44)	2.33
Diluted (In Rs.)		(12.44)	2.32

The accompanying Notes are an integral part of the Consolidated Statement of Profit and Loss.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

A) Equity Share Capital

	Number in Lacs	Amount Rs. in Lacs
A) Equity Share Capital (Refer Note 13)		
Balance as at March 31, 2016	**1,153.84**	**2,307.69**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year	0.28	0.55
Balance as at March 31,2017	**1,154.12**	**2,308.24**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year	0.88	1.77
Balance as at March 31,2018	**1,155.00**	**2,310.01**

B) Other Equity

Particulars	Attributable to Owners of Titagarh Wagons Limited									Non-controlling Interests	Total
	Reserves and Surplus (Refer Note 14)							Other Reserve (Refer Note 14)	Total Other Equity		
	Securities Premium	General Reserve	Capital Reserve	Reserve Fund	Legal Reserve	Employee Stock Options Outstanding Account	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at March 31, 2016	**40,433.07**	**5,411.39**	**9.18**	**15.27**	**–**	**54.33**	**46,641.65**	**386.06**	**92,950.95**	**7,893.10**	**100,844.05**
Profit for the year	–	–	–	–	–	–	2,690.27	–	2,690.27	52.80	2,743.07
Other Comprehensive Income (Net of Tax)	–	–	–	–	–	–	(42.62)	(1,181.29)	(1,223.91)	(0.75)	(1,224.66)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**2,647.65**	**(1,181.29)**	**1,466.36**	**52.05**	**1,518.41**
Transactions with Non-controlling Interests [Refer Note 3(c)]	–	–	–	–	–	–	(63.41)	–	(63.41)	(64.08)	(127.49)
Transfer to Legal Reserve	–	–	–	–	52.23	–	(52.23)	–	–	–	
Transactions with Owners in their Capacity as Owners:											
Premium on Issue of Equity Shares Pursuant to Employee Stock Option (ESOP) Scheme	11.59	–	–	–	–	–	–	–	11.59	–	11.59
Transfer from ESOPs Outstanding Account on Exercise	17.78	–	–			(17.78)	–	–	–		
Recognition of Share Based Payment	–	–	–	–	–	83.57	–	–	83.57	–	83.57
Balance as at March 31, 2017	**40,462.44**	**5,411.39**	**9.18**	**15.27**	**52.23**	**120.12**	**49,173.66**	**(795.23)**	**94,449.06**	**7,881.07**	**102,330.13**
Profit for the Year	–	–	–	–	–	–	(14,362.26)	–	(14,362.26)	(361.17)	(14,723.43)
Other Comprehensive Income (Net of Tax)	–	–	–	–	–	–	(4.05)	3,531.02	3,526.97	(0.23)	3,526.74
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(14,366.31)**	**3,531.02**	**(10,835.29)**	**(361.40)**	**(11,196.69)**
Transfer to Reserve Fund	–	–	–	0.35	–	–	(0.35)	–	–	–	–
Transfer to Legal Reserve	–	–	–	–	3.10	–	–	–	3.10	–	3.10
Transactions with Owners in their Capacity as Owners:											
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	37.35	–	–	–	–	–	–	–	37.35	–	37.35
Transfer from ESOPs Outstanding Account on Exercise and Lapse	96.81	–	–	–	–	(134.81)	38.00	–	–	–	–
Recognition of Share Based Payment	–	–	–	–	–	288.56	–	–	288.56	–	288.56
Transactions with Non-controlling Interests [Refer Note 3(c)]	–	–	–	–	–	–	325.51	–	325.751	(1,163.51)	(838.00)
Final Dividend for the Year ended March 31, 2017	–	–	–	–	–	–	(923.58)	–	(923.58)	–	(923.58)
Dividend Distribution Tax on above	–	–	–	–	–	–	(188.02)	–	(188.02)	–	(188.02)
Balance as at March 31, 2018	**40,596.60**	**5,411.39**	**9.18**	**15.62**	**55.33**	**273.87**	**34,058.91**	**2,735.79**	**83,156.69**	**6,356.16**	**89,512.85**

The accompanying Notes are an integral part of the Consolidated Statement of Changes in Equity.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(16,717.59)	4,969.66
Adjustments for:		
Depreciation and Amortisation Expense	5,083.58	5,152.44
Finance Costs	4,405.99	3130.89
Employee Stock Option Expenses	288.56	83.57
Contingency Provision Created / (Written Back) against Standard Assets	(1.25)	0.88
Unrealised Foreign Exchange (Gain) / Loss	(128.99)	(71.40)
Fair Value (Gain) / Loss on Derivatives Not Designated as Hedges	1,763.70	(471.35)
Irrecoverable Debts/ Advances Written Off (Net)	0.93	10.30
Provision for Doubtful Debts and Advances	640.58	263.76
Net (Gain) / Loss on Disposal of Property, Plant and Equipment	(366.63)	15.43
Fair Value Gain on Investment in Equity Securities at FVTPL	(25.06)	(263.94)
Share of Loss of a Joint Venture	32.36	5.80
Net Gain on Sale of Investments in Mutual Funds at FVTPL	–	(0.04)
Unspent Liabilities / Provisions No Longer Required Written Back	(497.82)	(514.90)
Intangible Assets under Development Written Off	66.00	–
Exceptional Item-Impairment of Property, Plant and Equipment and Intangible Assets	509.12	–
Interest Income Classified as Investing Cash Flows	(642.90)	(921.69)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	**(5,589.42)**	**11,388.90**
Decrease in Non-current and Current Financial and Non-financial Liabilities and Provisions	(11,015.44)	(12,540.80)
Increase in Trade Receivables	(4,669.46)	(722.86)
Decrease in Inventories	9,574.47	17,895.57
(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	1,624.50	(32,671.85)
Cash Used in Operations	**(10,075.35)**	**(16,651.04)**
Income Taxes Paid (Net of Refunds)	(2,031.28)	(1,060.30)
Net Cash Used in Operating Activities	**(12,106.63)**	**(17,711.34)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(3,731.35)	(2,183.27)
Proceeds from Disposal of Property, Plant and Equipment	883.21	7.48
Proceeds from Sale of Investments	–	0.08
Fixed Deposits (Made)/Matured	(320.53)	13,751.31
Investments in Tax Free Bonds	–	(5,793.84)
Investment in a Joint venture	(74.99)	(0.50)
Interest Received	681.69	1,052.67
Net Cash From / (Used in) Investing Activities	**(2,556.92)**	**6,833.93**

Consolidated Cash Flow Statement for the year ended March 31, 2018

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares Pursuant to Employee Stock Option Scheme	39.12	12.14
Transactions with Non-controlling Interests	(837.75)	(127.49)
Proceeds from Long-term Borrowings	6,639.54	3,038.55
Repayment of Long-term Borrowings	(2,119.92)	(849.16)
Short-term Borrowings - Receipts/(Payments)	20,686.29	13,191.47
Finance Costs Paid	(4,243.20)	(4,127.01)
Dividend Paid (including Dividend Distribution Tax)	(1,111.59)	–
Net Cash From Financing Activities	**19,052.49**	**11,138.50**
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	(1,930.96)	(2,453.30)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	2,457.98	(2,192.21)
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	3,382.25	5,574.46
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	**5,840.23**	**3,382.25**

(a) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

(b) Refer Note 47 for Debt Reconciliation.

The accompanying Notes form an integral part of the Consolidated Cash Flow Statement.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

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Director

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Chief Financial Officer

Dinesh Arya
Company Secretary

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

1 Group Background

Titagarh Wagons Limited (the 'Parent Company') is a public limited company incorporated and domiciled in India. The registered office of the Parent Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107 and its manufacturing facilities are located in West Bengal. The equity shares of the Parent Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Parent Company, its subsidiaries (collectively referred to as 'the Group') and a joint venture are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Steel Castings, Specialised Equipments & Bridges, Ships, Heavy Earthmoving and Mining Equipments, Engineering Goods, Tractors and other products as detailed under segment information in Note 40.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on May 29, 2018.

(a) The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiary companies and joint venture as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2018	March 31, 2017	
Titagarh Capital Private Limited (TCPL)	India	100%	100%	Registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a non-banking financial institution without accepting public deposits.
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) *	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema S.p.A (formerly Titagarh Firema Adler S.p.A) (TFA) **	Italy	100%	90%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electricals, locomotives etc.
Cimmco Limited	India	81.41%	74.76%	Engaged in manufacture of freight wagons and other engineering products.
Titagarh Agrico Private Limited (TAPL)***	India	N.A	100%	Engaged in manufacturing of tractors.

*The Parent Company holds 100% (March 31, 2017: 100%) equity in TWA together with a wholly owned subsidiary company, TSPL.
**The Parent Company holds 100% (March 31, 2017: 90%) equity in TFA together with a wholly owned subsidiary company, TSPL.
*** TAPL has been merged with Cimmco Limited w.e.f. April 1, 2016 as the appointed date. (Refer Note 39)

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2018	March 31, 2017	
Matiere Titagarh Bridges Pvt Ltd (formerly Matiere Titagarh Unibridge Products Pvt Ltd)	India	50%	50%	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges

(b) Refer Note 3 for further details of interest in other entities

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The consolidated financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

– Certain financial assets and liabilities (including derivative instruments)

– Defined benefits plan- plan assets

– Share based payments

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current

Deferred tax assets and liabilities are classified as Non-current.

(iv) Rounding of Amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lacs and decimals thereof (Rs. 00,000.00) as per the requirement of Schedule III to the Act, unless otherwise stated.

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture.

Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.5 below.

2.3 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation on property, plant and equipment is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 60 years
Plant and Equipments	15 years
Railway Sidings	15 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter. Leasehold improvements are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Group had opted to fair value its property, plant and equipment as on at April 1, 2015 (date of transition to Ind AS) and had considered the same as deemed cost of property, plant and equipment as at April 1, 2015.

2.4 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Brand and Design and Drawings

The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies during the year ended March 31, 2017 which was capitalised.

Prototype

The Group had developed prototype for tractors which was capitalised.

Patents

Patents acquired are capitalised as intangible assets when it is probable that associated future economic benefits would flow to the Group.

Research and Development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate all of the following:(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale.(b) its intention to complete the intangible asset and use or sell it.(c) its ability to use or sell the intangible asset.(d) how the intangible asset will generate probable future economic benefits. (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation Method and Period

Computer Software, Prototype, Brand, Design and Drawings, Development and Patents are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years , 10 years (until impaired), 8 years [Indefinite useful life up to March 31, 2017 - Refer Note 4.2(b)], 5 / 10 years, 5 years and 10 years respectively from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Transition to Ind AS

On transition to Ind AS, the Group had elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets as at April 1, 2015.

2.5 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Leases

As a Lessee

Leases of property, plant and equipment where the group, as leasee, has substantially all the risk and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liabilities and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised Cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

- Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.

- Fair Value through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Income'/'Other Expenses' in the period in which it arises.

Equity Instruments

The Group subsequently measures all equity investments (other than investments in joint venture) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income/Other Expenses' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43(II) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when

– the Group has transferred the rights to receive cash flows from the financial asset or

– retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.9 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.12 Other Financial Liabilities

Other financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Derivative Instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income' / 'Other Expenses'.

2.14 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.15 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

2.16 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.18 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Products

Revenue from sale of products and scrap sales is recognised when the significant risk and rewards of ownership of the products have passed to the buyers as per the terms of contract.

Sale of Services

Revenue from services rendered is recognised as the services are rendered and is booked based on agreement / arrangements with the concerned parties.

Other Operating Revenues

Export entitlement are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

2.19 Construction Contracts

Contract revenue is measured at the fair value of the consideration received or receivable. Variations in contract work are included in contract revenue when it is probable that the customer will approve the variation as well as the amount of revenue arising from the variation and the amount of revenue arising from the variation can be reliably measured. Claims are included in contract revenue to the extent that it is probable that the customer will accept the claim and the amount that is probable to be accepted by the customer can be measured reliably.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's functional and the Group's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities are translated at the closing rate at the date of that balance sheet- income and expenses are translated at average exchange rates- all resulting exchange differences are recognised in other comprehensive incomeWhen a foreign operation is sold, the associated exchange difference are reclassified to profit or loss, as part of the gain or loss on sale.Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Share Based Payments

Share-based compensation benefits are provided to employees of the Parent Company via the Titagarh Wagons Limited Employee Stock Option Scheme namely ESOP Scheme 2014.

Employees of the Parent Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Parent Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.23 Income Taxes

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.24 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations or deduction made by the customers, as the case may be.

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Group in due course. Also refer Note 2.25.

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.25 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.26 Earnings / (Loss) Per Equity Share

(i) Basic Earnings / (Loss) Per Equity Share

Basic earnings / (loss) per equity share is calculated by dividing:· the profit / (loss) attributable to owners of the Parent Company· by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings / (Loss) Per Equity Share

Diluted earnings / (loss) per equity share adjusts the figures used in the determination of basic earnings / (loss) per equity share to take into account:· the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and· the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.27 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 40 for segment information presented.

2.28 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

2.29 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.30 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within 'Other Income'.

2.31 Recent Accounting Pronouncements

Standards Issued but not yet EffectiveThe Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules 2018 (the Rules) on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 and cannot be early adopted. The Group intends to adopt these standards, as applicable, when they become effective.

Ind AS 115, Revenue from Contracts with CustomersThe Ministry of Corporate Affairs (MCA) has notified Ind AS 115, 'Revenue from Contracts with Customers', on March 28, 2018, which is effective for accounting periods beginning on or after April 1, 2018. The new revenue standard is based on a transfer of control model, which fundamentally changes the basis of revenue recognition, presentation and disclosures. The standard could significantly change the amount and timing of revenue recognition. The core principle is described in a five-step model framework.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance ConsiderationThe MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

Amendments to Ind AS 40 Investment Property - Transfers of Investment PropertyThe amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

Amendments to Ind AS 12 Income Taxes regarding Recognition of Deferred Tax Assets on Unrealised LossesThe amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:-A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.-The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. -Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.-Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

The Group is evaluating the requirements of the above amendments and the effect on the consolidated financial statements is being evaluated.

2.32 Critical Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32**

  Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **Impairment of Trade and Other Receivables — Notes 2.8(iii) and 43(II)**

  The risk of uncollectibility of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful receivables, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets - Notes 2.3, 2.4 , 4.1 and 4.2**

  Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment and intangible assets.

- **Accounting for Construction Contracts under Percentage of Completion - Note 2.19 and 45**

  The percentage of completion method is used to account for construction contracts. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. The main uncertainty when assessing contract revenue is related to recoverable amounts from variation orders and claims payments which are recognised when, based on management's judgement, it is probable that they will result in revenue and are reliably measurable. This assessment is adjusted upon management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms. Cost to complete depends on productivity factors and the cost of inputs, weather conditions, performance of subcontractors, etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

- **Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 37**

  Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with their legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- **Valuation of Deferred Tax Assets — Notes 2.23 and 18**

  Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- **Warranties and Liquidated Damages— Notes 2.24 and 17.1**

  The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.Liquidated damages on supply of products are provided based on the contractual obligations or deduction made by the customers, as the case may be.Changes in estimated frequency and amount of future warranty claims/ liquidated damages can materially affect provision for warranties / liquidated damages.

- **Impairment of Goodwill and Non-financial Assets - Notes 2.2(iii), 2.5, 4.1 and 4.2**

  Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This requires determination of recoverable amount of such assets including estimation of value in use / fair value less costs of disposal.

- **Fair Value Measurements - Notes 2.8(vi) , 2.22, 34 and 42**

  When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

3 Interest in Other Entities

(a) Information required by Schedule III to the Act

Name of the entity	As at/ For the year ended March 31, 2018							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	92.87%	85,276.62	3.43%	(493.32)	-0.10%	(3.66)	4.59%	(496.98)
Subsidiaries								
Indian								
Cimmco Limited	3.01%	2,763.04	1.55%	(222.38)	-0.02%	(0.62)	2.06%	(223.00)
Titagarh Capital Private Limited	-1.13%	(1,035.05)	0.06%	(8.53)	–	–	0.08%	(8.53)
Foreign								
Titagarh Wagons AFR	2.19%	2,013.71	42.90%	(6,161.68)	60.49%	2,133.40	37.18%	(4,028.28)
Titagarh Firema S.p.A	-1.70%	(1,563.91)	43.90%	(6,305.05)	34.55%	1,218.54	46.94%	(5,086.51)
Titagarh Singapore Pte Limited	-2.16%	(1,987.71)	10.44%	(1,500.11)	5.08%	179.08	12.19%	(1,321.03)
Non-controlling Interests in all Subsidiaries	6.92%	6,356.16	-2.51%	361.17	0.01%	0.23	-3.34%	361.40
Joint Venture (Investments as per the Equity Method)								
Indian								
Matiere Titagarh Bridges Pvt Ltd	–	–	0.23%	(32.36)	–	–	0.30%	(32.36)
TOTAL	**100.00%**	**91,822.86**	**100.00%**	**(14,362.26)**	**100.00%**	**3,526.97**	**100.00%**	**(10,835.29)**

Name of the entity	As at/ For the year ended March 31, 2017							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	85.30%	89,258.46	30.52%	821.10	1.12%	(13.76)	55.06%	807.34
Subsidiaries								
Indian								
Cimmco Limited*	2.75%	2,879.04	-42.04%	(1,130.91)	-0.65%	7.94	-76.58%	(1,122.97)
Titagarh Capital Private Limited	-1.36%	(1,419.31)	34.41%	925.74	–	–	63.13%	925.74
Foreign								
Titagarh Wagons AFR	3.37%	3,531.22	-56.16%	(1,510.92)	33.31%	(407.64)	-130.84%	(1,918.57)
Titagarh Firema S.p.A	3.11%	3,256.55	153.15%	4,120.12	68.43%	(837.49)	223.86%	3,282.63
Titagarh Singapore Pte Limited	-0.72%	(748.66)	-17.70%	(476.26)	-2.15%	26.30	-30.68%	(449.96)
Non-controlling Interests in all Subsidiaries	7.53%	7,881.07	-1.96%	(52.80)	-0.06%	0.75	-3.55%	(52.05)
Joint Venture (Investments as per the Equity Method)								
Indian								
Matiere Titagarh Bridges Pvt Ltd	–	–	-0.22%	(5.80)	–	–	-0.40%	(5.80)
TOTAL	**100.00%**	**104,638.37**	**100.00%**	**2,690.27**	**100.00%**	**(1,223.91)**	**100.00%**	**1,466.36**

*Including Titagarh Agrico Private Limited (Merged with Cimmco Limited w.e.f. April 1, 2016)

(b) Non-controlling interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

Rs. in Lacs

Summarised Balance Sheet	Cimmco Limited		Titagarh Firema S.p.A	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current Assets	8,061.41	7,093.25	94,771.63	106,410.59
Current Liabilities	8,154.93	10,617.77	93,056.00	113,702.91
Net Current Assets / (Liabilities)	**(93.52)**	**(3,524.52)**	**1,715.63**	**(7,292.32)**
Non-current Assets	28,231.54	29,161.72	29,389.24	24,842.83
Non-current Liabilities	11,988.19	7,145.93	15,033.85	6,768.89
Net Non-current Assets	**16,243.35**	**22,015.79**	**14,355.39**	**18,073.94**
Net Assets	**16,149.83**	**18,491.27**	**16,071.02**	**10,781.62**
Accumulated NCI	6,356.16	6,745.57	–	1,135.50

Rs. in Lacs

Summarised Balance Sheet	Cimmco Limited		Titagarh Firema S.p.A	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	13,662.33	13,220.27	58,030.89	101,079.23
Profit / (Loss) for the Year	(2,331.82)	(1,916.84)	(8,023.40)	3,313.05
Other Comprehensive Income / (Loss)	(0.62)	7.94	–	–
Total Comprehensive Income / (Loss)	(2,332.44)	(1,908.90)	(8,023.40)	3,313.05
Profit / (Loss) allocated to NCI	(389.17)	(266.14)	28.00	331.31

Rs. in Lacs

Summarised Balance Sheet	Cimmco Limited		Titagarh Firema S.p.A	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash Flows From / (Used in) Operating Activities	(3,018.69)	1,077.16	(9,427.02)	(23,056.24)
Cash Flows From / (Used in) Investing Activities	(479.58)	(64.21)	(574.30)	(704.54)
Cash Flows From / (Used in) Financing Activities	3,377.78	(895.30)	12,453.40	21,592.48
Net Increase / (Decrease) in Cash and Cash Equivalents	(120.49)	117.65	2,452.08	(2,168.30)

(c) Transactions with Non-controlling Interests

The Group acquired 10% stake in Titagarh Firema S.p.A. during the current year through its wholly owned subsidiary Titagarh Singapore Pte Limited and 3.57% stake in Titagarh Agrico Private Limited (now merged with Cimmco Limited w.e.f. April 1, 2016) during the previous year. The effect on the equity attributable to the owners of Titagarh Wagons Limited during the year is summarised as follows:

Rs. in Lacs

	March 31, 2018	March 31, 2017
Carrying Amount of Non- controlling Interest Acquired	1,163.51	64.08
Consideration Paid to Non-controlling Interest	838.00	127.49
Excess of Consideration Paid Recognised in Retained Earnings within Equity	325.51	(63.41)

(d) Interests in Joint Venture

The Group has formed a Joint Venture Company 'Matiere Titagarh Bridges Pvt Ltd' with Matiere SAS, France on January 2, 2017 to carry the business of manufacturing, marketing and selling Matiere panel bridges, unibridges, and other auxiliary products.

Summarised Financial Information for Joint Venture

The tables below provides summarised financial information for joint venture of the Group. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Rs. in Lacs

		March 31, 2018	March 31, 2017
Current Assets			
Cash and Cash Equivalents		214.91	0.50
Other Financial Assets		51.45	0.50
Total	**(A)**	**266.36**	**1.00**
Current Liabilities			
Financial Liabilities			
Trade Payables		73.06	11.61
Other Current Liabilities		118.65	–
Total	**(B)**	**191.71**	**11.61**
Net Assets	**(A-B)**	**74.65**	**(10.61)**

Rs. in Lacs

Summarised Statement of Profit and Loss	For the year ended March 31, 2018	For the year ended March 31, 2017
Expenses		
Employee Benefits Expenses	29.94	7.52
Finance Cost 0.36	–	
Other Expenses	34.43	4.08
Total Expenses	**64.73**	**11.60**
Loss for the Period/Year	(64.73)	(11.60)
Other Comprehensive Income for the Period/ year	–	–
Total Comprehensive Income for the period/year	**(64.73)**	**(11.60)**
Group Share in %	50.00	50.00
Group Share of Loss for the Period/Year	(32.36)	(5.80)

Rs. in Lacs

		March 31, 2018	March 31, 2017
Opening Net Assets		(10.61)	0.99
Profit for the Year		(64.73)	(11.60)
Issue of Equity Share Capital		149.99	–
Closing Net Assets		**74.65**	**(10.61)**
Group Share in %		50.00	50.00
Cost of Investments	(A)	75.49	0.50
Group Share of Loss for the Period/Year	(B)	32.36	(5.80)
Carrying Amount	**(A-B)**	**(43.13)**	**–**

*Share of Net Loss of a Joint Venture Accounted by Using the Equity Method has been adjusted to the extent of Carrying Amount of Cost of Investments for the year ended March 31, 2017.

The Group has no contingent liability and capital commitments relating to its interest in Matiere Titagarh Bridges Pvt Ltd as at March 31, 2018 (March 31, 2017: Rs. Nil).

4.1 Property, Plant and Equipment

	Freehold Land [Refer (a) below]	Leasehold Land	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipments [Refer (d) below]	Railway Sidings	Furniture and Fixtures	Office Equipments and Computers	Vehicles	Total
Gross Carrying Amount										
As at March 31, 2016	**34,346.93**	**20,059.70**	**70.94**	**25,832.25**	**16,927.07**	**283.25**	**266.48**	**247.60**	**219.32**	**98,253.54**
Additions	39.83	–	–	321.37	1,185.41	–	16.84	26.84	48.11	1,638.40
Disposals	–	–	–	–	75.79	–	–	–	40.77	116.56
Transfer to Investment Properties	(821.24)	–	–	–	–	–	–	–	–	(821.24)
Exchange Differences on Consolidation	(789.26)	–	–	(1,426.46)	(854.19)	–	–	–	–	(3,069.91)
As at March 31, 2017	**32,776.26**	**20,059.70**	**70.94**	**24,727.16**	**17,182.50**	**283.25**	**283.32**	**274.44**	**226.66**	**95,884.23**
Additions	–	–	–	356.72	2,142.36	64.45	68.40	53.07	50.95	2,735.95
Disposals	–	–	–	462.97	18.71	–	–	–	57.37	539.05
Exchange Differences on Consolidation	1,536.70	–	–	2,777.30	1,796.10	–	–	–	–	6,110.10
As at March 31, 2018	**34,312.96**	**20,059.70**	**70.94**	**27,398.21**	**21,102.25**	**347.70**	**351.72**	**327.51**	**220.24**	**104,191.23**
Accumulated Depreciation										
As at March 31, 2016	**–**	**166.69**	**25.01**	**881.43**	**2,631.14**	**38.26**	**29.28**	**71.42**	**47.42**	**3,890.65**
Charge for the year	–	166.68	20.84	1,093.09	2,839.48	23.45	30.02	62.37	39.20	4,275.13
Disposals	–	–	–	–	1.96	–	–	–	20.51	22.47
Exchange Differences on Consolidation	–	–	–	(85.74)	(270.51)	–	–	–	–	(356.25)
As at March 31, 2017	**–**	**333.37**	**45.85**	**1,888.78**	**5,198.15**	**61.71**	**59.30**	**133.79**	**66.11**	**7,787.06**
Charge for the year	–	166.69	3.21	1,086.42	2,647.55	26.81	31.61	67.21	37.57	4,067.07
Disposals	–	–	–	28.72	2.96	–	–	–	41.85	73.53
Exchange Differences on Consolidation	–	–	–	245.60	731.87	–	–	–	–	977.47
As at March 31, 2018	**–**	**500.06**	**49.06**	**3,192.08**	**8,574.61**	**88.52**	**90.91**	**201.00**	**61.83**	**12,758.07**
Impairment										
As at March 31, 2016	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge for the year	–	–	–	–	–	–	–	–	–	–
As at March 31, 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge for the year [Refer (c) below]	–	–	–	–	2.36	–	–	–	–	2.36
As at March 31, 2018	**–**	**–**	**–**	**–**	**2.36**	**–**	**–**	**–**	**–**	**2.36**
Net Carrying Amount										
As at March 31, 2017	32,776.26	19,726.33	25.09	22,838.38	11,984.35	221.54	224.02	140.65	160.55	88,097.17
As at March 31, 2018	**34,312.96**	**19,559.64**	**21.88**	**24,206.13**	**12,525.28**	**259.18**	**260.81**	**126.51**	**158.41**	**91,430.80**

a) The title deeds of immovable properties, as disclosed above are held in the name of the respective entities in the Group, except for the following:

Particulars	No. of Cases		Gross Carrying Amount (Rs. in Lacs)		Net Carrying Amount (Rs. in Lacs)		Remarks
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	
Freehold Land	2	2	14,144.61	14,144.61	14,144.61	14,144.61	Original copy of title deeds not available with the Parent Company / Subsidiary Company. The Parent Company / Subsidiary Company has photocopy of the same.
Freehold Land	1	1	3,391.29	3,391.29	3,391.29	3,391.29	Title deeds not in the name of the Parent Company
Buildings	1	2	181.91	231.36	176.44	222.86	Registration of title deeds is pending
Buildings	2	3	572.04	602.04	533.58	575.40	Title deeds not in the name of the Parent Company

b) Immovable properties in Cimmco Limited (Cimmco), a subsidiary includes land at Gwalior measuring 20 bighas 8 biswa for which a dispute was raised by the third party for the possession of the land but the same was upheld in favour of the Company by both single as well as Division Bench of the Hon'ble High Court of Madhya Pradesh. The matter was pending before the Hon'ble Supreme Court of India as at March 31, 2017 against which order in favour of the Company has been received during the year. Also Refer Note 37(ii)(c).

c) The Management of Cimmco, a subsidiary has impaired its Property, Plant and Equipment Rs. 2.36 Lacs (March 31, 2017 : Rs. Nil) and Intangible Assets Rs. 506.76 Lacs (March 31, 2017 : Rs. Nil) relating to the Tractors Division after evaluating the expected future performance of the division and the business strategy and disclosed the same under "Exceptional Items" in the Statement of Profit and Loss (Refer Note 29). While considering the Impairment Loss, Cimmco has considered its tractor division as a cash generating unit, in keeping with the accounting policy as set out in Note 2.5 and the fair value less costs of disposal as the recoverable amount.

d) Plant and Equipments include railway wagons of Titagarh Capital Private Limited which represent 200 wagons purchased in 2013-14 and 687 wagons purchased in 2009-10 which comprises significant quantity of steel scrap on discard. The management based on the technical evaluation of an independent chartered engineer, has worked out the residual value of the aforesaid wagons considering the realisable value of the steel content on discard of these wagons. Since the residual value of these wagons is higher than the carrying value, no depreciation has been charged on these assets.

e) The Group had opted to fair value its Property, Plant and Equipment as on April 1, 2015 (transition date to Ind AS) in terms of exemption given in Ind AS 101 'First-time Adoption of Indian Accounting Standards' and considered the same as deemed cost as at April 1, 2015.

f) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment

g) Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Company.

4.2 Intangible Assets

Rs. in Lacs

	Goodwill on Consolidation [Refer (a) below]	Other Intangible Assets						
		Computer Software	Patents	Project Development	Brand [Refer (b) below]	Design and Drawings	Prototype	Total
Gross Carrying Amount								
As at March 31, 2016	**402.25**	**310.25**	**656.29**	**1,741.22**	**–**	**–**	**880.39**	**3,588.15**
Additions	–	462.48	–	86.27	227.79	1,279.62	–	2,056.16
Exchange Differences on Consolidation	–	(38.87)	(51.11)	(140.69)	–	–	–	(230.67)
As at March 31, 2017	**402.25**	**733.86**	**605.18**	**1,686.80**	**227.79**	**1,279.62**	**880.39**	**5,413.64**
Additions	–	139.28	–	222.02	–	–	–	361.30
Exchange Differences on Consolidation	–	–	196.69	292.34	–	–	–	489.03
As at March 31, 2018	**402.25**	**873.14**	**801.87**	**2,201.16**	**227.79**	**1,279.62**	**880.39**	**6,263.97**
Accumulated Amortisation								
As at March 31, 2016	**–**	**66.54**	**114.80**	**401.33**	**–**	**–**	**44.02**	**626.69**
Charge for the year	–	105.63	113.98	401.21	–	80.41	176.08	877.31
Exchange Differences on Consolidation	–	(5.39)	(15.54)	(54.99)	–	–	–	(75.92)
As at March 31, 2017	**–**	**166.78**	**213.24**	**747.55**	**–**	**80.41**	**220.10**	**1,428.08**
Charge for the year	–	163.12	31.58	523.85	28.47	93.42	176.07	1,016.51
Exchange Differences on Consolidation	–	–	58.33	158.86	–	–	–	217.19
As at March 31, 2018	**–**	**329.90**	**303.15**	**1,430.26**	**28.47**	**173.83**	**396.17**	**2,661.78**
Impairment								
As at March 31, 2016	–	–	–	–	–	–	–	–
Charge for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
As at March 31, 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge for the year [Refer 4.1 (c)]	–	22.54	484.22	506.76				
As at March 31, 2018	**–**	**22.54**	**–**	**–**	**–**	**–**	**484.22**	**506.76**
Net Carrying Amount								
As at March 31, 2017	**402.25**	**567.08**	**391.94**	**939.25**	**227.79**	**1,199.21**	**660.29**	**3,985.56**
As at March 31, 2018	**402.25**	**520.70**	**498.72**	**770.90**	**199.32**	**1,105.79**	**–**	**3,095.43**

a) Represents Goodwill on consolidation arising from Titagarh Capital Private Limited amounting to Rs. 24.85 Lacs (March 31, 2017: Rs. 24.85 Lacs) and from Titagarh Wagons AFR amounting to Rs. 377.40 Lacs (March 31, 2017: Rs. 377.40 Lacs).

b) During the year ended March 31, 2018, the management of the Parent Company, after review, has revised the estimated useful life of brand from indefinite life to finite life. Accordingly, the same has been amortised from the year ended March 31, 2018 over its remaining life of 8 years on a straight-line basis. As a result, the amortisation expense and loss before tax for the year ended March 31, 2018 is higher by Rs. 28.47 Lacs. This revision in useful life will also result in increase in amortisation expense by Rs. 199.32 Lacs in the future periods.

4.3 Investment Properties

Rs in Lacs

	Freehold Land
Carrying Amount as at March 31, 2016	**–**
Transfer from Property, Plant and Equipment	821.24
Carrying Amount as at March 31, 2017	**821.24**
Additions	–
Carrying Amount as at March 31, 2018	**821.24**

The original title deeds in respect of above Investment Properties are not traceable. However, the Group has the photo copy of the same.

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2018, fair Valuation of the two properties is estimated to be Rs. 868.34 Lacs (March 31, 2017 : Rs. 889.91 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There are no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2018 and March 31, 2017 are as shown below:

Significant unobservable inputs	**Sensitivity of the input to Fair Value**
For 5% change in Circle Rate for Land owned by the Group	5% Increase (Decrease) in the Circle Rate would result in Increase (Decrease) in fair value by Rs 43.42 Lacs (March 31, 2017: Rs 41.06 Lacs)

5. Investments (Non-current)

	No of Shares/Units As at March 31, 2018	No of Shares/Units As at March 31, 2017	Face vale per share/unit (Rs)	As at March 31, 2018 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs
Investments in Equity Instruments					
In Others (Quoted) (at FVTPL)					
Continental Valves Limited #	160,000	160,000	10	28.77	38.08
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	1.21
In Others (Unquoted) (at FVTPL)					
Titagarh Enterprises Limited #	4,933,000	4,933,000	10	2,339.42	2,311.73
Tecalemit Industries Limited #	685,000	685,000	10	22.82	15.98
Titagarh Industries Limited #	50,000	50,000	10	30.83	29.83
Investment in Tax Free Bonds (Quoted) (at Amortised Cost)					
7.40% India Infrastructure Finance Company Limited***	140,000	140,000	1,000	1,481.41	1,474.54
7.04% Indian Railways Finance Corporation Limited***	50	50	1,000,000	508.16	507.20
7.38% Indian Railways Finance Corporation Limited***	100	100	1,000,000	1,106.55	1,105.26
7.39% National Highway Authority of India***	180,000	180,000	1,000	1,960.46	1,949.39
7.39% National Highway Authority of India***	50	50	1,000,000	526.24	523.83
8.67% Power Finance Corporation Limited	20,000	20,000	1,000	236.68	233.63
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				**8,241.59**	**8,190.88**
Aggregate book value of quoted investments				5,848.32	5,833.14
Aggregate book value of unquoted investments				2,393.27	2,357.74
Market value of quoted investments				6,135.60	5,833.14

\# Quotations not available
*** All the units are pledged against the working capital loans taken by Titagarh Singapore Pte Limited, a subsidiary company [Refer Note 15(d)(iii)]
@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit
Refer Note 42 for determination of fair values and Note 43 for credit risk and market risk on investments.

6. Trade Receivables (At Amortised Cost)
(Unsecured, Considered Good unless stated otherwise)

	Non-Current As at March 31, 2018 Rs. In Lacs	Non-Current As at March 31, 2017 Rs. In Lacs	Current As at March 31, 2018 Rs. In Lacs	Current As at March 31, 2017 Rs. In Lacs
Trade Receivables				
Secured, Considered Good	–	–	21.41	25.00
Unsecured, Considered Good	171.68	301.59	27,592.67	23,376.49
Considered Doubtful	106.14	–	512.57	203.78
	277.82	301.59	28,126.65	23,605.27
Less: Provision for Doubtful Trade Receivables	106.14	–	512.57	203.78
	171.68	**301.59**	**27,614.08**	**23,401.49**

a) Refer Note 15 for information on Trade Receivables pledged as security by the Group and Note 43 for credit risk and market risk on Trade Receivables.

7. Other Financial Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Measured at Fair Value through Profit and Loss				
Derivative Instruments at Fair Value through Profit and Loss:				
Foreign Exchange Forward Contracts / Currency and Interest Rate Swap [Refer (b) below]	–	301.46	–	169.89
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months	192.38	0.92	–	–
Interest Accrued on:				
Fixed Deposits with Banks and Tax Free Bonds	–	–	196.80	230.78
Claims Receivable [Refer (a) below]	854.81	854.81	–	–
Unbilled Revenue (Refer Note 45)	–	–	44,608.91	54,043.74
Charges Recoverable				
Considered Good	–	746.80	1,817.04	1,445.77
Considered Doubtful	–	–	24.48	–
	1,047.19	1,903.99	46,647.23	55,890.18
Less: Provision for Doubtful Charges Recoverable	–	–	24.48	–
Total	**1,047.19**	**1,903.99**	**46,622.75**	**55,890.18**

a) Claims receivable represent lease rent receivable by Cimmco Limited, a subsidiary company, from Indian Railways amounting to Rs 854.81 Lacs (March 31, 2017 : Rs 854.81 Lacs), net of expected credit loss amounting to Rs. 3,097.53 Lacs (March 31, 2017 : Rs. 3,097.53 Lacs), measured and recognised based on the management's estimate of time for final outcome of the matter in Court/ Arbitration proceedings. The said matter was under arbitration proceedings since 2004 and finally, the Arbitrators, passed an award on February 3, 2016 whereby the Company's claims were rejected. Being aggrieved by the award, the Company filed an appeal under Section 34 of the Arbitration & Conciliation Act, 1996 (as amended) before the Hon'ble High Court, Delhi on April 29, 2016 and the hearing in the matter is expected to take place shortly. Considering the merit of the case, the management is hopeful to recover this claim in full.

(b) While the Group entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk on expected sales and purchases, these contracts are not designated as hedge relationships and are measured at Fair Value through Profit and Loss.

8. Loans and Deposits (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Security Deposits				
Considered Good	233.79	302.23	9,467.35	4,253.91
Considered Doubtful	64.45	42.77	–	–
	298.24	**345.00**	**9,467.35**	**4,253.91**
Provision for Doubtful Security Deposits	64.45	42.77	–	–
	233.79	**302.23**	**9,467.35**	**4,253.91**

9. Tax Assets (Net)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Advance Tax including Tax Deducted at Source (Net of Provision for Taxation)	1,692.76	1,933.98	1,010.99	306.77
	1,692.76	**1,933.98**	**1,010.99**	**306.77**

10. Other Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital Advances	21.75	423.89	–	–
Security Deposits	333.65	164.78	35.00	10.00
Subsidy Receivable	–	–	–	42.16
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	–	–	34.50	–
Considered Good - Others	18.51	19.42	8,629.92	7,110.47
Considered Doubtful - Others	88.40	88.40	36.71	21.54
	106.91	**107.82**	**8,701.13**	**7,132.01**
Less: Provision for Doubtful Advances - Others	88.40	88.40	36.71	21.54
	18.51	**19.42**	**8,664.42**	**7,110.47**
Balances with Government Authorities				
Considered Good	–	–	12,335.28	10,925.88
Considered Doubtful	–	–	20.09	11.52
	–	**–**	**12,355.37**	**10,937.40**
Less: Provision for Doubtful Balances	–	–	20.09	11.52
	–	**–**	**12,335.28**	**10,925.88**
Prepaid Expenses	122.16	159.08	1,220.99	731.56
Income Tax Refundable	–	–	–	223.84
Total	**496.07**	**767.17**	**22,255.69**	**19,043.91**

a) Represents recoverable from an Officer of the Parent Company. Also Refer Note 41.

11. Inventories

(Valued at Lower of Cost and Net Realisable Value)

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Raw Materials and Components [Includes Goods in Transit Rs 1,674.82 lacs (March 31, 2017: Rs 154.26 lacs)]	27,405.19	26,613.08
Work-in-progress	13,779.83	22,061.86
Finished Goods	1,816.33	3,697.45
Trading Goods	–	10.06
Saleable Scrap	242.98	314.56
Stores and Spares	909.63	1,031.42
Total	**44,153.96**	**53,728.43**

(a) Refer Note 15 for information on inventories pledged as security by the Group.

b) Write-downs of inventories to net realisable value amounted to Rs. 115.73 lacs (March 31, 2017: Rs Nil). These were recognised as an expense during the year and included in Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap in the Consolidated Statement of Profit and Loss.

12. Cash and Bank Balances

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	5,824.69	3,253.13
Deposits with Original Maturity of Less Than Three Months	–	117.58
Cash on Hand	15.54	11.54
	5,840.23	**3,382.25**
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	15.03	14.42
On Share Application Refundable Accounts	–	0.48
On Unpaid Fractional Share Entitlement Accounts	2.48	13.46
Deposits with Original Maturity of More Than Twelve Months	740.85	693.10
Deposits with Original Maturity of More Than Three Months but Less Than Twelve Months	487.10	2.58
Deposits held as Margin Money #	286.01	514.15
	1,531.47	**1,238.19**
Total	**7,371.70**	**4,620.44**

Receipts lying with banks as security against loans, guarantees/letters of credits issued by them.

13. Equity Share Capital

Rs. in Lacs

	As at March 31, 2018		As at March 31, 2017	
	No. of shares in Lacs	Rs.in Lacs	No. of shares in Lacs	Rs.in Lacs
Authorised Shares				
Equity shares of Rs. 2/- (March 31, 2017: Rs. 2/-) each	8,805.00	17,610.00	8,805.00	17,610.00
Preference shares of Rs. 10 /- (March 31, 2017: Rs. 10/-) each	520.00	5,200.00	520.00	5,200.00
		22,810.00		**22,810.00**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2017: Rs. 2/-) each, fully paid-up	1,155.00	2,310.01	1,154.12	2,308.24
		2,310.01		**2,308.24**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Rs. in Lacs

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of shares in Lacs	Rs. In Lacs	No. of shares in Lacs	Rs. In Lacs
Equity Shares				
At the Beginning of the Year	1,154.12	2,308.24	1,153.84	2,307.69
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.88	1.77	0.28	0.55
Outstanding at the end of the Year	1,155.00	2,310.01	1,154.12	2,308.24

@ During the year, 88,500 equity shares (March 31, 2017: 27,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme.

b) **Shares reserved for issue under employee stock options**

For details of shares reserved for issue under ESOP of the Parent Company, Refer Note 34.

c) Terms and rights attached to Equity Shares

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2017: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) **Details of shareholders holding more than 5% shares in the Parent Company**

Name of Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2 (March 31, 2017: Rs. 2) each fully paid				
Titagarh Capital Management Services Pvt. Ltd.	21,670,165	18.76%	21,670,165	18.76%
Savitri Devi Chowdhary	18,116,035	15.68%	18,116,035	15.68%
Rashmi Chowdhary	12,816,105	11.10%	12,816,105	11.10%
HDFC Trustee Company Limited – HDFC Capital Builder Fund	–	0.00%	11,028,301	9.56%
HDFC Trustee Company Limited – HDFC Prudence Fund	6,151,556	5.33%	–	0.00%

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

14. Other Equity

Reserves and Surplus

Rs. in Lacs

		As at March 31, 2018	As at March 31, 2017
A.	**Securities Premium Account**		
	Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
	Balance as per the last Financial Statements	40,462.44	40,433.07
	Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(b)]	37.35	11.59
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	96.81	17.78
		40,596.60	**40,462.44**
B.	**General Reserve (as per the Last Financial Statements) (Refer Note 14.1)**	5,411.39	5,411.39
C.	**Capital Reserve (as per the Last Financial Statements)**	9.18	9.18
D.	**Reserve Fund**		
	According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its Net Profit every year as disclosed in the Statement of Profit and Loss and before dividend is declared. The Company has transferred twenty per cent of its Net Profit to the Reserve Fund in the current year (March 31, 2017- Rs. Nil).		
	Balance as per the last Financial Statements	15.27	15.27
	Add: Amount transferred from the Statement of Profit and Loss	0.35	–
		15.62	**15.27**
E.	**Legal Reserve**		
	Legal Reserve represents reserve created as per the local laws in certain foreign subsidiaries out of the profits for the year		
	Balance as per the last Financial Statements	52.23	–
	Add: Transfer during the year	3.10	52.23
		55.33	**52.23**
F.	**Employee Stock Options Outstanding (Refer Note 34)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the last Financial Statements	120.12	54.33
	Recognition of Share Based Payment (Refer Note 34)	288.56	83.57
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(134.81)	(17.78)
		273.87	**120.12**
G.	**Retained Earnings**		
	Balance as per the last Financial Statements	49,173.66	46,641.65
	Profit/(Loss) for the Year	(14,362.26)	2,690.27
	Transfer to Legal Reserve	–	(52.23)
	Transfer to Reserve Fund	(0.35)	–
	Transactions with Non-controlling Interests	325.51	(63.41)

Rs. in Lacs

		As at March 31, 2018	As at March 31, 2017
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	38.00	–
	Items of Other Comprehensive Income recognised directly in Retained Earnings		
	– Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(4.05)	(42.62)
	Final Dividend for the Year ended March 31, 2017 [Refer Note 44(b)]	(923.58)	–
	Dividend Distribution Tax on above	(188.02)	–
		34,058.91	**49,173.66**
	– Other Reserve		
H.	**Foreign Currency Translation Reserve (FCTR)**		
	Exchange difference arising from translation of foreign operations are recognised in other comprehensive income asdescribed in accounting policies [Refer Note 2.20(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
	Balance as per the last Financial Statements	(795.23)	386.06
	Exchange Differences on Translation of Foreign Operations during the year	3,531.02	(1,181.29)
		2,735.79	**(795.23)**
	Total Other Equity (A+B+C+D+E+F+G+H)	**83,156.69**	**94,449.06**

14.1 **General Reserve :** Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

15. **Borrowings** (At Amortised Cost)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Secured				
Deferred Payment Liabilities [Refer (a) below]	94.41	1,084.75	313.12	316.66
Term Loan from Banks [Refer (b) below]	16,644.87	13,010.86	3,065.78	1,506.37
Cash Credits from Banks [Refer (c) below]	–	–	6,430.44	1,815.17
Working Capital Demand Loans / Short-term Loans from Banks [Refer (d) below]	–	–	30,745.88	12,066.33
Buyers' Credit from Banks [Refer (e) below]	–	–	1,744.62	–
Packing Credit Loans from Banks [Refer (f) below]	–	–	–	4,324.73
Unsecured				
Term Loan from Banks [Refer (g) below]	1,581.27	1,745.43	563.52	193.50
Loan against Research & Development Tax Credits [Refer (h) below]	404.50	136.97	810.00	963.31
	18,725.05	**15,978.01**	**43,673.36**	**21,186.07**
Amount disclosed under other current financial liabilities (Refer Note 16)	–	–	(4,752.42)	(2,979.84)
Total	**18,725.05**	**15,978.01**	**38,920.94**	**18,206.23**

Secured Borrowings

a) **Deferred Payment Liabilities**

i) In case of Titagarh Firema S.p.A, deferred payment liability of Rs. 266.95 (31st March 2017: Rs. 1,241.60 Lacs) relates to liability towards photovoltaic equipment. The said loan is secured by way of hypothecation of said equipment. The deferred payment liability carries an interest rate of 2.30% bps and the lease period ends on November 2018.

ii) In case of Titagarh Wagons AFR, deferred payment credit of Rs. 140.58 Lacs (31st March 2017: Rs. 159.81 Lacs) represents certain assets taken on deferred payment from Crédit du Nord. The loan is repayable within three years and carries an interest rate ranging between 1.20% - 1.99%.

b) **Term Loan from Banks**

i) In case of Cimmco Limited term loan includes the following:

(a) Term Loan of Rs. 1,994.05 Lacs (March 31, 2017: Rs. 3,120.90 lacs) carries an interest @ 10.60% p.a (March 31, 2017 @ 11.10%) (Base +spread of 1.75%) and is repayable in 14 quarterly installments of Rs. 285.71 lacs each starting from September 2016 to December 2019.The above term loan is secured by a first pari passu charge on land admeasuring 18.75 acres situated at Gwalior and also first pari passu charge over the other fixed assets (including its land admeasuring 470 Bigha 1 Biswa at Bharatpur, Rajasthan) of the Company.

(b) Term Loan of Rs. 6,194.65 lacs (March 31, 2017: Rs. Nil) carries an interest @ 9.05% p.a (March 31, 2017: Nil) linked to 1 year MCLR and is repayable in 14 quarterly installments starting from December 2019 to September 2024. There are certain financial covenants as per the terms of the loan agreement which have not been met as at March 31, 2018. However, the Company has been regular and timely in payment of interest. The management believes that it is not a material breach and the loan will continue to be on the same repayment terms and conditions as agreed at the time of disbursement. The Company has till date also not received any notice in this regard from the bank. Accordingly the year end loan amount has been classified as non-current in accordance with the terms agreed at the time of disbursement.Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on all current assets of the Company.

ii) In case of Titagarh Singapore Pte Limited:

Term loan of Rs. 11,521.95 Lacs (March 31, 2017; Rs. 11,396.33 Lacs) carries an interest rate of Euribor + 4% and is repayable over a period of 8 years, beginning on October 9, 2018 and the last repayment is on October 5, 2023. The loan is secured against pledge of investment of 26% of the equity shares of TWA and 88% equity shares of TFA held by Titagarh Singapore PTE Limited and 100% shares of Titagarh Singapore PTE Limited held by Titagarh Wagons Limited.

c) **Cash Credits from Banks:**

i) In case of Titagarh Wagons Limited: Cash Credits of Rs. 4,271.68 Lacs (March 31, 2017; Rs. 11.90 Lacs) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. Cash credits carry interest at banks's MCLR plus spread ranging from 1% to 2% p.a. (effectively 8.80% to 11.50% p.a) and are repayable on demand.

ii) **In case of Cimmco Limited:**

Cash credits from banks of Rs. 949.43 Lacs (March 31, 2017; Rs. 1,110.74 Lacs) are secured by first pari passu charge over all current assets, both present and future and also by a second pari passu charge over the entire fixed assets of the Company (excluding land at Gwalior). The cash credit is repayable on demand and carry an interest rate ranging between 9.5% to 14% p.a. lined with MCLR.

iii) In case of Titagarh Wagons AFR(TWA): Cash credit of Rs 1,209.33 lacs (March 31, 2017; Rs. 346.24 Lacs) is secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. In addition, the holding company has also pledged over 90% of the shares of the Company held by the Holding Company. The above facility carries interest at LIBOR + 3.75% p.a. and are repayable on demand.

d) **Working Capital Demand Loan (WCDL)**

i) In case Titagarh Wagons Limited: WCDL of Rs. 3,900.00 lacs (March 31, 2017: Rs Nil) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. WCDL carry interest at banks's MCLR plus spread ranging from 0.45% to 1.00% p.a and are repayable within 6 months.

ii) In case Titagarh Firema S.p.A (TFA):

(a) Rs. 9,674.64 Lacs (March 31, 2017: Rs. 8,315.44 Lacs) represents short term loan taken from Axis Bank Singapore Branch for working capital purposes. The facility is secured by first pari passu charge on the entire fixed assets (movable and immovable) of Titagarh Wagons Limited (TWL) other than assets charged exclusively to banks and excluding vehicles and first pari passu charge on the entire current assets of TWL.

(b) Short term loan of Rs. 714.78 Lacs (March 31, 2017: Nil) taken from Banco di Napoli during the year which is repayable in 12 equal monthly instalments beginning from March 2018.All the above working capital facility carries interest rate of Euribor plus margin ranging from 1% to 3%.

iii) In case of Titagarh Singapore Pte Limited (TSPL):

a) Rs 4,837.33 lacs (March 31, 2017: Rs 4,097.13 lacs) represents loan taken from Barclays Bank PLC for the purpose of business expansion. The loan is secured against tax free bonds pledged by the parent company.

b) Rs 4,031.11 lacs (March 31, 2017: Rs Nil) represents loan from Standard Chartered Bank for working capital requirement of TFA. The loan is secured by way of first charge on the parent company's current assets and collateral charge on fixed assets, both present and future.

c) Rs 7,588.02 lacs (March 31, 2017: Rs Nil) represents loan taken from RBL Bank for working capital requirement of TFA.All the above loan are short term revolving loan.

iv) In case of TFA, TSPL and TWA, WCDL carry interest at Euribor plus spread ranging between 1% to 3.75% and are repayable on demand.

e) **Buyer's Credit:**
In case of Titagarh Wagons Limited, Rs. 1,744.62 Lacs (March 31, 2017: Nil) carry interest ranging from 2.42% to 3.21% p.a for USD and from 0.53% to 0.90% p.a for Euro and are repayable within six months from the date of drawdown. The above facility is secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

f) **Packing Credit Loans:**

In case of Titagarh Wagons Limited, Packing Credit Loans as on March 31, 2017 carried interest rate ranging from 2.20% to 2.62% p.a and was repayable within six months from the date of drawdown. The above facility was secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

Unsecured Borrowings

g) **Term Loan from Banks**

In case of Titagarh Wagon AFR

Term Loan of Rs. 2,144.79 Lacs (March 31, 2017: Rs. 1,938.93 Lacs) represents long-term working capital loan received. The loan is repayable by 2022 and carries an interest rate of Euribor plus spread ranging from 1.50% - 2.65%.

h) Loan against research and development tax credits represents, research and development tax credits receivable from the income tax authority. The loan instalments would be repaid through the refund of tax credit on research and development as and when collected from the tax department and carries an interest rate of 1month Euribor plus 2%.

i) Refer Note 43 for information about market risk and liquidity risk on borrowings.

16. Other Financial Liabilities

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Measured at Fair Value through Profit and Loss				
Derivative Instruments at Fair Value through Profit and Loss:				
Foreign Exchange Forward Contracts / Currency and Interest Rate Swap [Refer (a) below]	1,647.91	–	115.79	–
Measured at Amortised Cost				
Current Maturities of Long Term Debt (Refer Note 15)	–	–	4,752.42	2,979.84
Interest Accrued on Borrowings	–	–	374.28	225.70
Interest Free Deposits from Dealers	–	–	72.85	99.19
Employee Related Liabilities	–	–	4,283.56	2,971.07

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Payable for Purchase of Property, Plant and Equipment [Refer (b) below]	2,900.21	3,657.25	1,676.47	1,430.99
Other Liabilities	–	–	205.70	351.46
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	–	–	15.03	14.42
Unpaid Share Application	–	–	–	0.48
Unpaid Fractional Shares	–	–	2.48	13.46
Total Other Financial Liabilities	**4,548.12**	**3,657.25**	**11,498.58**	**8,086.61**

(a) While the Group entered into foreign exchange forward contracts/currency and interest rate swap with the intention of reducing the foreign exchange risk / variable interest rate risk of expected sales and purchases/long-term borrowings, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

(b) In case of TFA, the payable for purchase of Property, Plant and Equipment represents amount payable to Firema Trasporti SPA in AS (FAS) towards acquisition of the real estate as per the business purchase agreement. The amount is payable in four equal annual instalments of Rs. 1,612.44 Lacs each by July 2020.

17.1 Provisions

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	298.08	339.80	134.13	103.85
Leave Benefits [Refer Note 32(iii)]	–	–	561.61	492.19
	298.08	**339.80**	**695.74**	**596.04**
Other Provisions:				
Warranties *	–	–	3,540.77	3,121.12
Liquidated Damages *	–	–	9,163.75	1,581.76
Loss on Onerous Contract *	–	–	2,318.23	5,494.20
Litigation, Claims and Contingencies *	–	–	412.13	481.85
Other Provisions *	–	–	66.54	51.94
Contingency Provision against Standard Assets @	–	–	1.25	2.59
	–	**–**	**15,502.67**	**10,733.46**
Total	**298.08**	**339.80**	**16,198.41**	**11,329.50**

@ Based on The Reserve Bank of India Master Directions, provision has been made in Titagarh Capital Private Limited, a subsidiary for standard assets at 0.25 percent of the balance of such assets as at year end which has been disclosed separately as 'Contingent Provision against Standard Assets'.

a) Movement of provisions for warranties and liquidated damages are as follows:

Rs. in Lacs

	Warranties		Liquidated Damages	
	2017-18	2016-17	2017-18	2016-17
At the Beginning of the Year	3,121.11	1,233.86	1,581.75	6,085.92
Made during the Year	1,466.61	1,373.10	7,989.77	1,186.43
Re-classified from Liquidated Damages	–	957.61	–	–
Re-classified to Warranty	–	–	–	(957.61)
Utilised during the Year	(1,021.29)	(322.07)	(407.80)	(4,532.30)
Unused Amounts Reversed	(25.66)	(121.38)	–	(200.68)
At the End of the Year	**3,540.77**	**3,121.12**	**9,163.72**	**1,581.76**

b) Movement of Provisions for Litigation, Claims and Contingencies and Loss on Onerous Contract are as follows:

Rs. in Lacs

	Litigation Claims and Contingencies		Loss on Onerous Contract	
	2017-18	2016-17	2017-18	2016-17
At the Beginning of the Year	481.85	809.30	5,494.20	8,807.61
Made during the Year	10.28	2.99	1,443.99	137.88
Utilised during the Year	–	(206.93)	(4,619.96)	(3,451.29)
Unused Amounts Reversed	(80.00)	(123.51)	–	–
At the End of the Year	**412.13**	**481.85**	**2,318.23**	**5,494.20**

* The Management inter alia based on the past trend expects to settle the provision within twelve months from the Balance Sheet date and has therefore classified the entire amount as Current.

17.2 Current Tax Liabilities

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Provision for Income Tax (Net of Advance Tax including Tax Deducted at Source)	1,882.90	2,642.70
Total	**1,882.90**	**2,642.70**

18. Deferred Tax Liabilities (Net)

Rs. in Lacs

		As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities			
Arising out of Temporary Differences in Depreciable Assets		5,159.92	7,460.83
Unrealised Gain on FVTPL Equity Investments		242.25	288.34
Fair Valuation of Derivative Instruments		–	58.79
Gross Deferred Tax Liabilities	**(A)**	**5,402.17**	**7,807.96**
Deferred Tax Assets			
Provision for Doubtful Debts, Advances and Claims Receivable		1,364.80	1,218.93
Provision for Loss on Onerous Contract		–	47.72
Provision for Warranties and Liquidated Damages		242.31	175.83
Provision for Litigations, Claims and Contingencies		33.25	167.09
Provision for Employee Benefits		359.36	308.28
MAT Credit Entitlement		703.51	531.64

Rs. in Lacs

		As at March 31, 2018	As at March 31, 2017
Fair Valuation of Derivative Instruments		40.46	–
Carried Forward Business Losses and Unabsorbed Depreciation		3,771.57	3,330.32
Gross Deferred Tax Assets		**6,515.26**	**5,779.81**
Deferred Tax Assets Not Recognised [Refer (a) below]		4,427.78	4,201.67
Deferred Tax Assets	**(B)**	**2,087.48**	**1,578.14**
Deferred Tax Liabilities (Net)	**(A-B)**	**3,314.69**	**6,229.82**
Reflected in the Consolidated Balance Sheet as:			
Deferred Tax Assets		**3,076.72**	**694.12**
Deferred Tax Liabilities		**(6,391.41)**	**(6,923.94)**
Deferred Tax Liabilities (Net)		**(3,314.69)**	**(6,229.82)**

(a) In absence of reasonable certainty supported with convincing evidence, the Group has not recognised the deferred tax assets on unabsorbed depreciation, carried forward business losses and other items relating to certain subsidiary companies.

19. Trade Payables (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Trade Payables		
Acceptances	1,271.95	2,840.47
Others		
Total outstanding dues of Micro Enterprises and Small Enterprises	36.02	16.55
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	29,322.58	41,392.15
	30,630.55	**44,249.17**

a) Refer Note 43 for information about market risk and liquidity risk on trade payables.

20. Other Current Liabilities

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Advances from Customers	50,254.01	52,573.02
Statutory Dues	748.28	1,516.73
Other Liabilities	40.43	49.77
	51,042.72	**54,139.52**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

21. Revenue from Operations

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
Sale of Products (including Excise Duty)		
Finished Goods (Also Refer Note 38)	123,713.42	171,756.70
Traded Goods	350.82	108.76
Sale of Raw Materials and Components	873.91	143.27
Sale of Services		
Job Processing Charges, etc.	1,175.45	570.89
Other Operating Revenues		
Scrap Sales	811.89	1,227.96
Duty Drawback	88.03	69.11
Others	130.32	42.24
Total	**127,143.84**	**173,918.93**

Sale of Products includes excise duty collected from customers amounting to Rs. 549.92 Lacs (March 31, 2017: Rs. 2,559.05 Lacs). Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for the year ended March 31, 2018 are not comparable with the previous year.

22. Other Income

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
22.1 Interest Income		
From Financial Assets at Amortised Cost - Bank Deposits	577.99	776.32
From Income Tax Refunds	64.91	45.44
From Others	–	4.97
	642.90	**826.73**
22.2 Others		
Fair Value Gain on Investment in Equity Securities at FVTPL	25.06	263.94
Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges @	–	631.28
Unspent Liabilities / Provisions No Longer Required Written Back	497.82	609.86
Net Gain on Sale of Investments in Mutual Funds at FVTPL	–	0.04
Net Gain on Disposal of Property, Plant and Equipment	366.63	–
Subsidy Received	385.60	335.08
Commission Income	–	98.13
Contingency Provision on Standard Assets Written Back	1.25	0.51
Other Non-operating Income	1,068.60	136.21
	2,344.96	**2,075.05**
Total	**2,987.86**	**2,901.78**

@ Includes unrealised Fair Value Gain on Derivatives Not Designated as Hedges Rs. Nil (March 31, 2017: Rs.471.35 Lacs)

23. Cost of Raw Materials and Components Consumed

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
Inventories at the Beginning of the Year	26,613.08	23,250.64
Add: Purchases	70,029.37	94,882.27
	96,642.45	**118,132.91**
Less: Inventories at the End of the Year	27,405.19	26,613.08
Cost of Raw Materials and Components Consumed	**69,237.26**	**91,519.83**

24. Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap

Rs. in Lacs

		For the Year ened March 31, 2018	For the Year ended March 31, 2017
Inventories at the end of the year			
Finished Goods		1,816.33	3,697.45
Work-in-Progress		13,779.86	22,061.86
Trading Goods		–	10.06
Saleable Scrap		242.99	314.56
	(A)	**15,839.18**	**26,083.93**
Inventories at the beginning of the year			
Finished Goods		3,697.45	2,612.64
Work-in-Progress		22,061.86	44,499.58
Trading Goods		10.06	8.29
Saleable Scrap		314.56	452.78
	(B)	**26,083.93**	**47,573.29**
Decrease in Inventories	**(A-B)**	**10,244.75**	**21,489.36**
Inventories Transferred to Intangible Assets		–	(167.46)
Foreign Currency Translation Adjustment		2,117.99	(1,880.30)
Utilisation of Provision for Loss on Onerous Contract and Liquidated Damages		(5,878.52)	(2,981.49)
		6,484.22	**16,460.11**

25. Employee Benefits Expense

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
Salaries, Wages and Bonus	23,149.93	20,713.73
Employee Stock Options Expense (Refer Note 34)	288.56	83.57
Contribution to Provident & Other Funds [Refer Note 32(ii)]	204.12	183.03
Gratuity Expense [Refer Note 32(i)]	68.47	69.86
Staff Welfare Expenses	221.05	162.95
Total	**23,932.13**	**21,213.14**

26. Finance Costs

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc. [Net of Subsidy Rs. Nil (March 31, 2017 : Rs 139.61 Lacs)]	2,857.44	1,860.21
Other Borrowing Costs (Bank Charges, etc.)	1,548.55	1,270.68
Total	**4,405.99**	**3,130.89**

27. Depreciation and Amortisation Expense

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
Depreciation on Property, Plant and Equipment (Refer Note 4.1)	4,067.07	4,275.13
Amortisation on Intangible Assets (Refer Note 4.2)	1,016.51	877.31
Total	**5,083.58**	**5,152.44**

28. Other Expenses

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and Spare Parts	2,722.71	3,351.46
Job Processing and Other Machining Charges (including Contract Labour Charges)	8,645.53	7,799.66
Power and Fuel	2,768.02	2,858.87
Design and Development Expenses	225.47	92.82
Repairs		
Plant and Machinery	2,011.12	1,738.06
Buildings	54.20	109.16
Others	330.52	366.61
Rent and Hire Charges (Refer Note 35)	644.26	592.08
Rates and Taxes	1,351.61	864.19
Insurance	630.39	502.85
Security Services	432.28	832.11
Freight and Forwarding Charges [Net of Recovery Rs. 238.64 Lacs (March 31, 2017 : Rs 68.14 Lacs)]	642.65	184.59
Advertising and Sales Promotion	187.47	233.47
Brokerage and Commission	44.14	93.97
Travelling and Conveyance	1,221.55	1,322.93
Legal and Professional Fees	2,181.79	2,307.24
Commission to Non-Executive Directors	–	10.00
Directors Sitting Fees	46.27	60.78
Payment to Auditors		

Rs. in Lacs

	For the year ended March 31, 2018		For the year ended March 31, 2017	
As Auditors				
Audit Fee	25.00		61.08	
Limited Review	12.00		36.04	
Other Certification Services	4.34		27.88	
Other Services*	20.49		–	
Reimbursement of Expenses	1.64	63.47	3.91	128.91
Warranty Claims	1,021.29		376.02	
Less: Adjusted with Provision	1,021.29	–	322.07	53.95
Provision for Warranties		1,466.59		1,373.10
Liquidated Damages	546.50		6,981.76	
Less: Adjusted with Provision	407.80	138.70	4,532.30	2,449.46
Provision for Liquidated Damages (Also refer Note 38)		5,852.98		1,186.43
Irrecoverable Debts/ Advances Written Off	35.93		63.62	
Less: Adjusted with Provision	35.00	0.93	53.32	10.30
Provision for Doubtful Debts and Advances		640.58		263.76
Net Loss on Disposal of Property, Plant and Equipment		–		15.43
Contingency Provision against Standard Assets		–		0.88
Net Loss on Foreign Currency Transactions and Translation @		96.20		–
Corporate Social Responsibility Expenses (Refer Note 28.1)		42.64		44.00
Intangible Assets under Development Written Off		66.00		–
Miscellaneous Expenses		4,328.99		2,512.81
Total		**36,837.06**		**31,359.88**

*Payment to Auditors- Other Services for the year ended March 31, 2018 includes Rs 20.49 lacs paid to the preceding auditors of the Parent Company.

@ Includes unrealised Fair Value Loss on Derivatives Not Designated as Hedges Rs. 1,763.70 Lacs [March 31, 2017: (Rs. Nil)]

28.1 Corporate Social Responsibility Expenses

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
(a) Amount required to be spent by the Parent Company during the year	29.63	20.17
(b) Amount spent during the year by the Parent Company on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above (fully paid)	42.64	44.00
Total	**72.27**	**64.17**

29. Exceptional Items

Rs. in Lacs

	For the Year ened March 31, 2018	For the Year ended March 31, 2017
Impairment of Property, Plant and Equipment and Intangible Assets [Refer Note 4.1 (c)]	509.12	–
Settlement of Claim [Refer (a) below]	–	325.00
Sales Tax [Refer (b) below]	–	124.91
	509.12	**449.91**

(a) Represents pending legal dispute with a subcontractor relating to their dues amounting to Rs 2,525.85 lacs (including interest of Rs 1,721.63 lacs) on which an arbitration award has been passed against Cimmco Limited, a subsidiary and was appealed against by the Cimmco. During the year, a settlement agreement was entered into with the said party pursuant to which an amount of Rs. 325.00 Lacs was paid as full and final settlement of all their dues.

(b) Represents Sales Tax liability paid by Cimmco during the previous year under the amnesty scheme of Government of Rajasthan for the year relating to pre lock out period.

30. Income Tax Expense / (Benefit)

Rs. in Lacs

		For the Year ened March 31, 2018	For the Year ended March 31, 2017
(A)	**Amount Recognised in the Statement of Profit and Loss**		
	Current Tax		
	Current Tax on profits for the year	808.48	2,528.11
	Deferred Tax		
	Origination and reversal of temporary differences	(2,604.55)	(402.57)
	Adjustment relating to earlier years	(293.25)	101.05
	Adjustment for change in tax rate	95.16	–
		(2,802.64)	**(301.52)**
	Total Income Tax Expense Recognised in Profit and Loss	**(1,994.16)**	**2,226.59**
(B)	**Amount Recognised in Other Comprehensive Income**		
	Deferred Tax		
	Remeasurements on post-employment defined benefit plans	1.97	26.04
	Total Income Tax Benefit Recognised in Other Comprehensive Income	**1.97**	**26.04**
(C)	**Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable**		
	Accounting Profit /(Loss)before Tax	(16,717.59)	4,969.66
	At India's Statutory Income Tax Rate of 34.608% (March 31, 2017: 34.608%)	(5,785.62)	1,720.00
	Adjustments:		
	Expenses not allowed as deductions	920.58	345.67
	Income not taxable	(223.33)	(104.86)
	Share of Losses in Joint Venture	11.20	2.01
	Adjustment relating to earlier years	(293.25)	101.05
	Impact of lower tax rate (capital gains tax rate) on the fair valuation of land and Investment in equity shares through FVTPL	(26.00)	(157.42)
	Adjustment for change in tax rate	95.16	–
	Effect of Different Tax Rate for Foreign Subsidiaries.	1,053.00	(381.29)
	Losses and Deductible Temporary Difference against which no Deferred Tax Asset created for some subsidiaries	2,114.25	546.47
	Others	139.85	154.96
		(1,994.16)	**2,226.59**

The applicable Indian Statutory Income Tax Rate for the year ended March 31, 2018 and March 31, 2017 was 34.608 %. During the year ended March 31, 2018, the Parent Company and an Indian subsidiary has recognised additional deferred tax expense of Rs. 95.16 Lacs on account of change in tax rate from 34.608 % to 34.944 % as per the Finance Act, 2018.

31. Earnings/(Loss) Per Equity Share

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,411,870	115,384,370
(ii) Number of Equity Shares at the End of the Year	115,500,370	115,411,870
(iii) Weighted Average Number of Equity Shares Outstanding during the year	115,446,869	115,402,377
(iv) Face Value of Each Equity Share (Rs)	2.00	2.00
(v) Profit / (Loss) Attributable to the Equity Shareholders of the Parent Company		
Profit / (Loss) for the Year (Rs.in Lacs)	(14,362.26)	2,690.27
(vi) Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)]	(12.44)	2.33
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	485,946	321,993
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	115,932,815	115,724,370
(iii) Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)]	(12.44)*	2.32

* Since the diluted EPS is anti dilutive, the basic and diluted EPS would be same.

32. Employee Benefits:

(i) Post-employment Defined Benefit Plans:

Gratuity

The Parent Company and a subsidiary in India has a defined benefit gratuity plan which is unfunded (except for one unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The Parent Company and the subsidiary in India have increased the maximum limit to Rs.20 Lacs for certain category of employees during the year.

The following tables sets forth the particulars in respect of the gratuity plan.

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.11	4.41	32.95	30.86
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	5.70	7.53	24.71	27.06
Total	**10.81**	**11.94**	**57.66**	**57.92**
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	15.15	(2.42)	(8.90)	71.83
Total	**15.15**	**(2.42)**	**(8.90)**	**71.83**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	119.52	135.33	369.60	361.54
Fair value of Plan Assets	56.91	53.22	–	–
Net Liability	62.61	82.11	369.60	361.54
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	135.32	147.32	361.55	352.78
Current Service Cost	5.11	4.41	32.95	30.86
Interest Cost	9.40	11.34	24.71	27.06
Past Service Cost	–	–	22.68	–
Benefits Paid	(45.46)	(25.32)	(63.40)	(64.67)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	(2.98)	2.80	(15.81)	15.41
Experience Variance	18.13	(5.22)	6.92	0.10
Closing Defined Benefit Obligation	119.52	135.33	369.60	361.54
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	53.22	49.42		
Return on Plan Assets	3.69	3.80		
Fair Value of Plan Assets at the end of the year	56.91	53.22		
The major categories of Plan Assets as a percentage of he Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	4 years	3 years	4/7 years	3/6 years
Expected Benefit Payments for the year ending				
Not later than 1 year	27.87	54.09	54.09	102.96
Later than 1 year and not later than 5 years	92.41	72.01	72.01	108.58
Later than 5 year and not later than 10 years	23.51	33.62	33.62	155.05
More than 10 years	20.16	9.92	9.92	252.15
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	7.60%	6.95%	7.60%	6.95%
Salary Growth Rate	5.00%	5.00%	5.00%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Parent Company expects to contribute Rs.67.49 Lacs (March 31, 2017 Rs.105.98 Lacs) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

Rs. in Lacs

	Gratuity (Funded)				Gratuity (Unfunded)			
Sensitivity Level	As at March 31, 2018		As at March 31, 2017		As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	(115.26)	124.09	(131.71)	139.21	(346.29)	383.37	(341.04)	384.77
Salary Growth Rate (+/- 1%)	124.16	(115.12)	139.24	(131.61)	381.12	(347.42)	383.41	(341.80)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) **Post-employment Defined Contribution Plans:**

(A) **Superannuation Fund**

Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan. The Parent Company has no further obligations under the plan beyond its annual contributions.

(B) **Provident Fund**

Certain categories of employees of the Parent Company and a subsidiary receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company and the subsidiary have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Rs.in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Provident Fund	203.58	180.51
Superannuation Fund	0.54	2.52
Total	**204.12**	**183.03**

(iii) **Leave Benefits**

The Parent Company and a subsidiary provide for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the respective company's policy. The Parent Company and the subsidiary record a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Parent Company and the subsidiary towards these benefits was Rs. 561.61 lacs (March 31, 2017: Rs 492.19 lacs). The amount of the provision is presented as current, since the Parent Company and the subsidiary does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company and the subsidiary does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Rs.in Lacs

	As at March 31, 2018	As at March 31, 2017
Leave provision not expected to be settled within the next 12 months	84.48	59.90

(iv) **Risk Exposure**

Through its defined benefit plans, the Parent Company and the subsidiary is exposed to some risks, the most significant of which are detailed below:

(a) **Discount Rate Risk**

The Parent Company and the subsidiary is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) **Salary Growth Risks**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) **Demographic Risk**

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Parent Company and the subsidiary are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33. Research and Development expenditure of revenue nature recognised in profit and loss during the year amounts to Rs. 37.87 Lacs (March 31, 2017 : Rs. 54.10 Lacs)

34. **Employee Stock Option Plan (ESOP)**

The Parent Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorised Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a)	**Vesting period**	**As stated below**
	Exercise period effective	Within a period of 6 months from the date of vesting
	Grant Date	March 4, 2015
	Exercise price	Rs 44.20
	Market price at 4th March 2015	Rs 135.60
	Vesting schedule for the option is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	312,500	44.20	340,000	44.20
Lapsed during the year	41,250	44.20	–	–
Forfeited during the year	11,500	44.20	–	–
Exercised during the year	88,500	44.20	27,500	44.20
Outstanding at the end of the year	171,250	44.20	312,500	44.20
Exercisable at the end of the year	28,750	44.20	57,500	44.20

The weighted average fair value of the option as on the grant date is Rs. 102.21 (March 31, 2017: Rs. 100.85) and weighted average contractual life of the option as at March 31, 2018 is 3.78 years (March 31, 2017: 3.15 years).

The weighted average fair value of stock options granted was Rs 141.21 Lacs (March 31, 2017: Rs 137.90 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs. For the year ended March 31, 2017, Monte Carlo valuation model was used for computing the weighted average fair value.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
May 19, 2017	123.20
August 28, 2017	110.05
March, 16, 2018	120.65

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 1 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at 19th May 2017	Rs 122.80
The movement of the option is summarised below:	
At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	115,000	44.20	–	–
Outstanding at the end of the year	115,000	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 88.35 (March 31, 2017: Nil) and weighted average contractual life of the option as at March 31, 2018 is 3.15 years (March 31, 2017: Nil).

The weighted average fair value of stock options granted was Rs 33.10 Lacs (March 31, 2017: Nil). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c)	**Vesting period**	**As stated below**
	Exercise period	Within a period of 6 months from the date of vesting
	Expected Life	4 years
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at 19th May 2017	Rs 122.80
	Vesting schedule for the option is as follows:	
	At the end of first year from the date of grant	2%
	At the end of second year from the date of grant	10%
	At the end of third year from the date of grant	28%
	At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	382,500	44.20	–	–
Outstanding at the end of the year	382,500	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 89.35 (March 31, 2017: Nil) and weighted average contractual life of the option as at March 31, 2018 is 3.46 years (March 31, 2017: Nil).

The weighted average fair value of stock options granted was Rs 91.96 Lacs (March 31, 2017: Nil). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d)	**Vesting period**	**As stated below**
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	November 9, 2017
	Exercise price	Rs 44.20
	Market price at 9th November 2017	Rs 146.75
	Vesting schedule for the option is as follows:	
	At the end of first year from the date of grant	2%
	At the end of second year from the date of grant	10%
	At the end of third year from the date of grant	28%
	At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	55,000	44.20	–	–
Outstanding at the end of the year	55,000	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 112.07 (March 31, 2017: Nil) and weighted average contractual life of the option as at 31 March 2018 is 3.46 years (March 31, 2017: Nil).

The weighted average fair value of stock options granted was Rs 7.50 Lacs (March 31, 2017: Nil). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Company recorded an employee compensation expense of Rs 288.56 Lacs (March 31, 2017: Rs.83.57 Lacs) in the Statement of Profit and loss.

35. Leases

Certain office premises, land and machineries are obtained by the Group on operating lease. The lease term is for 1-10 years and renewable for further period on mutual consent. These are cancellable by giving a notice period ranging from one month to three months. Lease agreements have price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases. The aggregate lease rentals are charged as 'Rent and Hire Charges' in Note 28.

36. Commitments

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	222.73	814.45

37. Contingent Liabilities

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
(i) **Claims against the company not acknowledged as debt**		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,834.35	3,671.91
Matters under appeal with:		
Sales tax authorities	1,275.95	1,175.65
Income tax authorities	359.28	913.98
Customs and Excise Authorities	15,016.94	14,079.84
Custom Duty on import of equipments and spare parts under EPCG scheme	1,193.25	983.72
	21,679.77	**20,825.10**

* Includes Rs 1,360.45 Lacs (March 31, 2017: Rs 1,292.95 Lacs) in respect of Cimmco Limited, a subsidiary which in terms of BIFR order, even if decided against the subsidiary, would stand at Rs 136.04 Lacs (March 31, 2017: Rs 129.29 Lacs) only.

In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the consolidated financial statements.

In respect of above contingent liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

(ii) **Further in case of Cimmco Limited (Cimmco), a subsidiary:**

(a) Cimmco had in earlier years (prior to lockout and take-over by the present promoter group), obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit from the date of issuance of such licences. Due to the closure of the factory and cancellation of the export orders, Cimmco could not fulfil the entire export obligation within the permitted time limit. Subsequently, Cimmco was referred to the Board for Industrial and Financial Reconstruction ("BIFR") vide case No. 372/2000 dated November 27, 2000 wherein a rehabilitation package was sanctioned by the BIFR on March 31, 2010. Pursuant to the rehabilitation scheme, Cimmco made an application to the Policy Relaxation Committee (PRC) of the Department of Foreign Trade for extension of the EO by further 8 years. The Zonal Director General of Foreign Trade (DGFT) vide its letter dated December 21, 2010 had extended the EO period upto March 31, 2016. Based on the details available with Cimmco regarding the imports made prior to the lock out and as per its best estimates, Cimmco had made necessary payments to the tune of Rs 85.00 lacs for the unfulfilled export obligation and for the balance licenses a liability of Rs 11.00 lacs has been made in the books in the previous year. However, in absence of complete list of licenses alongwith the imports made against each license the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised an invoice of Rs 1,128.95 lacs on Cimmco on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to Cimmco which in turn has been sub leased by Cimmco to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, Cimmco and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favorable ITAT judgements regarding the admissibility of the depreciation on the leased assets Cimmco believes that there would not be any liability that would crystalise on account of the above.

(c) A third party (MITS) had preferred an appeal before the Hon'ble Supreme Court (SC) against the order passed in favour of Cimmco by the Hon'ble Division Bench of High Court, M.P. setting aside the order of the State Government Department's office by which purported allotment was sought to be made to MITS of Leasehold / Freehold land of the Company at Gwalior measuring 20 bighas 8 biswa, which is valued at Rs 2,345.81 lacs. The Hon'ble SC has since disposed of the said appeal by an order dated February 19, 2018, stating inter alia therein that it will be open to the State of M.P. to pass an appropriate order in accordance with law, without being influenced by any observation in the impugned order in the matter, within two months after hearing the parties. The State of M.P. has not issued any notice in the matter. Accordingly the purported dispute against Cimmco's said land stands dismissed.

(iii) **Further in case of Titagarh Capital Private Limited, a subsidiary:**

By an Equipment Lease Agreement (hereinafter, "PLA 1") dated May 21, 1997 executed between IDBI Bank Limited (the "Lessor" therein) and Cimmco Birla Limited (the "Lessee" therein), 687 BOXN Wagons were granted on lease to Cimmco for a fixed non-cancellable period of 10 years on the terms and conditions recorded in the said agreement. By another Equipment Lease Agreement (hereinafter, "PLA 2") dated 17th October, 1997 executed between SBI Leasing Group (the "Lessor" therein) and Cimmco (the "Lessee" therein), 200 BCNA Wagons were granted on lease to Cimmco for a fixed non-cancellable period of 10 years on the terms and conditions recorded in the said agreement.

Thereafter on 28th May, 1997, Cimmco entered into a sub-lease agreement (hereinafter, "SLA 1") in respect of the said 687 BOXN Wagons with the Executive Director, Ministry of Railways, Railway Board (the "sub-lessee" therein) for a fixed non-cancellable period of 10 years with effect from the date of delivery. Similarly on October 20, 1997, Cimmco entered into a sub-lease agreement (hereinafter, "SLA 2") in respect of the said 200 BCNA Indian Railways for a fixed non-cancellable period of 10 years.

The terms and conditions of both SLAs 1 and 2 were substantially similar to that of the PLAs 1 and 2. On the expiry of the respective fixed period of the lease, both PLAs 1 and 2 were renewable at the option of Cimmco (the "lessee") on a year to year basis on the same terms and conditions as those contained in the respective PLAs except the lease rentals. Similarly, both SLAs were renewable, on the expiry of the respective fixed period of the lease, at the option of the Railways (the "sub-lessee") on a year to year basis for the secondary period on the same terms and conditions as those contained in the SLA save and except the sub-lease rentals.

In terms of Clause 2.12 of PLA 1, Cimmco exercised its option for renewal after the expiry of the fixed period of the lease, and thus the PLA in respect of 687 BOXN Wagons was renewed by IDBI for 10 years by an agreement executed on 17th September, 2009 with effect from 30th September, 2007 upto 31st March, 2019, on rake to rake basis progressively. Similarly in terms of Clause 1.6 of PLA 2, Cimmco exercised its option for renewal after the expiry of the fixed period of the lease, and thus the PLA in respect of 200 BCNA Wagons was renewed by SBI Leasing for 10 years by an agreement executed on December 31, 2013 with effect from September 30, 2007 upto March 31, 2019, on rake to rake basis progressively.

However, even after the expiry of the fixed period of 10 years, Indian Railway did not exercise their option to renew the respective SLAs 1 and 2 despite continuing to use the wagons without making any payment of the lease rental for the secondary period.

By a deed of transfer and deed of assignment both dated September 24, 2009, Titagarh Capital Private Limited (hereinafter, "TCPL") purchased/ acquired from IDBI, ownership of 687 BOXN wagons along with all the existing and future rights, interests, advantages, benefits and privileges of IDBI under PLA 1. Pursuant to the execution of the aforementioned agreements, TCPL became the absolute owner of the 687 nos. BOXN Wagons and also became entitled to receipt of the lease rentals and/or user charges in respect of the said 687 nos. BOXN Wagons. Further by an Agreement to Transfer the Reversionary Rights dated December 31, 2013 SBI Leasing Group sold/transferred the 200 BCNA Wagons to Cimmco and there under assigned all the existing and future rights, interests, advantages, benefits and privileges of SBI Leasing Group under the PLA 2 dated October 17, 1997 as renewed on December 30, 2013 to Cimmco. Subsequently, TCPL by a Deed of Transfer, Assignment and Novation dated March 31, 2014 purchased/ acquired from Cimmco ownership of 200 BCNA wagons along with all the existing and future rights, interests, advantages, benefits and privileges of SBI Leasing under the PLA 2 read with the agreement to transfer the reversionary rights dated December 31, 2013.

Due to the non-payment of the lease rental for the secondary period despite repeated requests, TCPL filed a Civil Suit against Cimmco before the Hon'ble High Court of Calcutta seeking immediate re-possession of the 687 BOXN Wagons and recovery of the entire amount of the outstanding lease rentals together with interest thereon. In the said proceedings, the Railways were added as a party at their own prayer.

Hon'ble High Court of Calcutta passed an interim order directing the Indian Railways to deposit the user charges for the Wagons at the rate of rent last paid by them in 2007, from the day after expiry of the lease till March 31, 2014, which order was partially modified by Division Bench of Hon'ble High Court of Calcutta based on appeal filed by Indian Railway and interest @ 12% was also directed to be paid by Indian Railways. Being aggrieved by the Order, Railways preferred to file a Special Leave to Petition before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court, with the consent of the parties vide its order dated September 17, 2015, disposed of the SLP by referring all the disputes relating to 687 BOXN Wagons and 200 BCNA Wagons, total 887 Wagons, to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar.

In view of ultimate claim against the Railways, TCPL and Cimmco jointly filed claim aggregating Rs. 2,582.32 Lakhs - before the Ld. Sole Arbitrator and have also sought Payment by Railways of the user charges for the 687 BOXN Wagons and 200 BCNA Wagons for the period after the expiry of the primary lease period till the date of realization along with interest at the rate of 22% per annum for delayed payment of user charges for the 687 BOXN Wagons and 200 BCNA Wagons till the date of realization and also a direction on Railways to return possession of the 687 BOXN Wagons and 200 BCNA Wagons and order of injunction restraining the Railways from using the Wagons.

Indian Railways have filed their counter claim seeking to acquire ownership and title of the wagons at the residual value of 1% of the cost of acquisition.

In the arbitration proceedings, the pleadings have been completed at the hearing on April 25, 2017 and next date for final arguments is yet to be fixed. During the legal proceedings before the various forum, Railways have specifically admitted to their willingness to make payment of the lease rentals for the secondary lease period.

As on as on 31st March 2018, the amount of claim before the Sole Arbitrator works out to Rs. 1,669.85 Lacs (March 31, 2017: Rs.1,499.54 Lacs) on account of Secondary lease rental for 887 wagons and Rs. 2,482.83 Lacs (March 31, 2017: Rs1,974.21 Lacs) on amount of interest computed @ 22% as per terms of the Agreement. The realizable value of 887 wagons (based on independent Valuer) works out to Rs. 4,664.94 Lacs (March 31, 2017: Rs.2,336.35 Lacs).

TCPL is hopeful of favorable outcome, supported by legal opinion, on conclusion of arbitration proceeding and delivery of arbitration award. However, since the matter is under arbitration, as matter of prudence, TCPL has not accounted for these income in its books.

38. Revenue from Operations-Sale of Finished Goods (Note 21) and Other Expenses - Provision for Liquidated Damages (Note 28) includes following adjustment in a subsidiary company :

- Rs 2,127.75 lacs (March 31, 2017: Nil) netted off in Revenue from Operations and Rs. 1,006.56 Lacs (March 31, 2017: Nil) included in Other Expenses] on account of re-estimation of certain long term contracts that were inherited by a subsidiary. The above re-estimation has resulted into increase in the total cost of the contract as compared to the original estimates at the time of acquisition of the subsidiary.
- Rs 4,963.29 lacs (March 31, 2017: Nil) (excluding write back of provision on other contracts) included in Other Expenses - Provision for Liquidated Damages (Note 28) being the one-time provision made for penalty which is likely to arise due to expected delay in supply of trains against contracts that were inherited. Considering the various circumstances that led to the delay, while Management is in active negotiation with the customer to renegotiate and reduce the total amount of this penalty, and the final amount will be known on conclusion of the negotiation, however, as a matter of prudence necessary provision towards the above penalties has been made in the books of accounts.

39. The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated October 16, 2017 has sanctioned the Scheme of Amalgamation (the "Scheme") of Titagarh Agrico Private Limited (TAPL) with Cimmco Limited with Appointed Date being April 1, 2016. The certified true copy of the said Order has been received and filed with the Ministry of Corporate Affairs on November 14, 2017, thus making the Scheme effective. Since the Appointed Date of the Scheme was April 1, 2016, the effect of the amalgamation has been considered in the books of Cimmco Limited retrospectively as per the requirements of Ind AS 103.

40. **Segment Information**

The Parent Company's Board of Directors examines the Group's performance on the basis of its business and has identified the following reportable segments:

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, tractors, etc which comprises less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Groups's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of assets.

Information about Operating Segments

For the year ended March 31, 2018

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**118,668.96**	**4,150.84**	**3,516.72**	**807.32**	**127,143.84**
Segment Results- Profit/(Loss)*	**(11,553.80)**	**357.47**	**549.08**	**(1,780.82)**	**(12,428.07)**
Unallocated (Income) / Expenses					
Finance Costs					2,857.44
Interest Income					(196.48)
Depreciation and Amortisation Expense					372.47
Other Corporate Income					(1,084.29)
Other Corporate Expenses					2,340.38
Loss before Taxes					**(16,717.59)**
Tax Benefit					(1,994.16)
Loss for the Year					**(14,723.43)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	4,410.56	3.83	46.17	250.55	4,711.11
Provision for Doubtful Debts and Advances	486.27	107.57	27.24	19.50	640.58
Unspent Liabilities / Provisions No Longer Required Written Back	(493.08)	–	–	(4.74)	(497.82)
Segment Assets	**235,889.32**	**7,252.16**	**6,121.34**	**1,154.03**	**250,416.85**
Unallocated Assets					
Investments					8,241.59
Cash and Cash Equivalents					5,840.23
Other Bank Balances					1,531.47
Non-current / Current Tax Assets (Net)					2,703.75
Deferred Tax Assets (Net)					3,076.72
Other Unallocated Assets					149.01
Total Assets					**271,959.62**
Segment Liabilities	**98,399.17**	**2,259.30**	**7,182.45**	**462.79**	**108,303.71**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					6,391.41
Borrowings					62,749.53
Current Tax Liabilities (Net)					1,882.90
Other Unallocated Liabilities					809.21
Total Liabilities					**180,136.76**

*Including exceptional item (Refer Note 29)

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

For the year ended March 31, 2017

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**165,829.61**	**7,171.51**	**–**	**917.81**	**173,918.93**
Segment Results- Profit/(Loss)*	**7,246.38**	**1,392.75**	**(192.19)**	**(555.05)**	**7,891.89**
Unallocated (Income) / Expenses					
Finance Costs					1,860.21
Interest Income					(826.73)
Depreciation and Amortisation Expense					139.42
Other Corporate Income					(944.48)
Other Corporate Expenses					2,693.81
Profit before Taxes					**4,874.70**
Tax Expenses					2,226.59
Profit for the year					**2,743.07**
Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	4,697.91	21.32	9.82	283.97	5,013.02
Provision for Doubtful Debts and Advances	238.15	20.00	–	5.61	263.76
Unspent Liabilities / Provisions No Longer Required Written Back	(507.11)	(0.70)	–	(7.09)	(514.90)
Segment Assets	**235,847.80**	**5,366.14**	**653.84**	**7,010.75**	**248,878.53**
Unallocated Assets					
Investments					8,190.88
Cash and Cash Equivalents					3,382.25
Other Bank Balances					1,238.19
Non-current / Current Tax Assets (Net)					2,240.75
Deferred Tax Assets (Net)					694.12
Other Unallocated Assets					5,566.38
Total Assets					**270,191.10**
Segment Liabilities	**114,807.93**	**2,394.44**	**817.09**	**461.75**	**118,481.21**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					6,923.94
Borrowings					37,389.78
Current Tax Liabilities (Net)					2,642.70
Other Unallocated Liabilities					115.10
Total Liabilities					**165,552.73**

Entity-wide Disclosures:

(a) The Parent Company is domiciled in India. The amount of Group's revenue from external customers broken down by location of the customers is shown below:-

Rs in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	38,029.88	45,717.24
Italy	58,030.89	101,079.23
France	28,044.97	24,107.32
Rest of the World	3,038.10	3,015.14
Total	**127,143.84**	**173,918.93**

(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

Rs in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
India	61,686.24	62,599.97
Italy	26,312.52	24,148.71
France	12,650.24	10,804.48
Total	**100,649.00**	**97,553.16**

(c) Total revenue from external customers includes sales to Indian Railways of Rs 14,398.07 Lacs (March 31, 2017: Rs 28,873.25 Lacs) , Regione Campania of Rs. 21,238.84 Lacs (March 31, 2017: Rs 15,115.69 Lacs) and F&M of Rs. 14,270.38 Lacs (March 31, 2017: Rs 32,656.63 Lacs) which represents more than 10% of the total revenue from external customers of the Group.

41. Related Party Disclosures

Names of Related Parties and Related Party Relationship

Other Related Parties with whom transactions have taken place during the year:

Joint Venture Company:	Matiere Titagarh Bridges Pvt Ltd (w.e.f. January 2, 2017)
Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Dharmendar Nath Davar - Independent Director Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Shekhar Dutta - Independent Director (Resigned w.e.f July 31, 2017) Mr. Ramsebak Bandyopadhyay - Independent Director (w.e.f August 10, 2017) Mr. Atul Ravishanker Joshi - Independent Director (w.e.f January 24, 2018) Mr. Sudev Chandra Das - Independent Director (w.e.f October 27, 2016) Mr. Sunirmal Talukdar - Independent Director Mr. Sudipta Mukherjee - Director (Whole-time Director) Mr. Anil Kumar Agarwal - Chief Financial Officer Mr. Dinesh Arya - Company Secretary
Close Family Members of the KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMPs Shareholders/ Close Family Members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited (formerly Titagarh Papers Limited) Titagarh Industries Limited (formerly Kankinara Enterprises Limited) Tecalemit Industries Limited

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Purchase of Raw Materials and Components						
Titagarh Industries Limited	**2017-18** 2016-17	**–** –	**28.86** 32.06	**–** –	**–** –	**28.86** 32.06
Reimbursement of Expenses Received						
Titagarh Enterprises Limited	**2017-18** 2016-17	**–** –	**15.34** –	**–** –	**–** –	**15.34** –
Rent Paid						
Titagarh Enterprises Limited	**2017-18** 2016-17	**–** –	**228.40** 169.77	**–** –	**–** –	**228.40** 169.77
Rent Income						
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**3.00** –	**–** –	**–** –	**–** –	**3.00** –
Dividend paid						
Ms. Savitri Devi Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** –	**144.93** –	**144.93** –
Ms. Rashmi Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**102.53** –	**–** –	**102.53** –
Mr. J P Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**1.25** –	**–** –	**1.25** –
Mr. Umesh Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**0.62** –	**–** –	**0.62** –
Ms. Vinita Bajoria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**0.00 *** –	**0.00 *** –
Ms. Sumita kandoi	**2017-18** 2016-17	**–** –	**–** –	**–** –	**0.00 *** –	**0.00 *** –
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**0.10** –	**–** –	**0.10** –
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**0.05** –	**–** –	**0.05** –
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**0.10** –	**–** –	**0.10** –
Titagarh Capital Management Services Pvt. Ltd.	**2017-18** 2016-17	**–** –	**173.36** –	**–** –	**–** –	**173.36** –
Bimla Devi Kajaria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**0.01** –	**0.01** –

*Amounts are below the rounding off norm adopted by the Group.

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]						
Mr. J P Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**257.28** 127.32	**–** –	**257.28** 127.32
Mr. Umesh Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**257.28** 127.32	**–** –	**257.28** 127.32
Ms. Vinita Bajoria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**27.64** 27.64	**27.64** 27.64
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**64.34** 47.70	**–** –	**64.34** 47.70
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**26.32** 25.95	**–** –	**26.32** 25.95
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**40.73** 41.99	**–** –	**40.73** 41.99
Employee Stock Option Expense						
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**24.06** 12.29	**–** –	**24.06** 12.29
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**24.06** 12.29	**–** –	**24.06** 12.29
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**13.23** 6.14	**–** –	**13.23** 6.14
Sitting Fees and Commission to Directors						
Mr. Sudev Chandra Das	**2017-18** 2016-17	**–** –	**–** –	**–** 2.68	**–** –	**–** 2.68
Mr. Dharmendar Nath Davar	**2017-18** 2016-17	**–** –	**–** –	**7.60** 11.36	**–** –	**7.60** 11.36
Mr. Manoj Mohanka	**2017-18** 2016-17	**–** –	**–** –	**8.40** 10.48	**–** –	**8.40** 10.48
Mr. Atul Ravishanker Joshi	**2017-18** 2016-17	**–** –	**–** –	**1.20** –	**–** –	**1.20** –
Mr. Ramsebak Bandyopadhyay	**2017-18** 2016-17	**–** –	**–** –	**4.40** –	**–** –	**4.40** –
Mrs. Rashmi Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**2.00** 2.40	**–** –	**2.00** 2.40
Mr. Shekhar Dutta	**2017-18** 2016-17	**–** –	**–** –	**–** 6.33	**–** –	**–** 6.33
Mr. Sunirmal Talukdar	**2017-18** 2016-17	**–** –	**–** –	**7.63** 9.11	**–** –	**7.63** 9.11
Mrs. Vinita Bajoria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**1.00** 1.40	**1.00** 1.40
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**0.60** 3.65	**–** –	**0.60** 3.65
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**0.28** 0.33	**–** –	**0.28** 0.33

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
Legal and Professional Fees						
Mr. Dharmendar Nath Davar	**2017-18** 2016-17	**–** –	**–** –	**2.92** 3.50	**–** –	**2.92** 3.50
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** 7.50	**–** –	**–** 7.50
In relation to the Consolidated Balance Sheet						
Loans Given						
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** 60.00	**–** –	**–** 60.00
Investment Made						
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**74.99** 0.50	**–** –	**–** –	**–** –	**74.99** 0.50
Balances Outstanding as at the Year end						
Charges Recoverable						
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**72.66** –	**–** –	**–** –	**–** –	**72.66** –
Advances Recoverable in Cash or Kind						
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**34.50** 34.50	**–** –	**34.50** 34.50
Advances from Customers						
Matiere Titagarh Bridges Pvt Ltd	**–** –	**41.05** –	**–** –	**–** –	**–** –	**41.05** –
Investments						
Matiere Titagarh Bridges Pvt Ltd	**2017-18** 2016-17	**43.13** –	**–** –	**–** –	**–** –	**43.13** –
Titagarh Enterprises Limited	**2017-18** 2016-17	**–** –	**2,339.42** 2,311.73	**–** –	**–** –	**2,339.42** 2,311.73
Tecalemit Industries Limited	**2017-18** 2016-17	**–** –	**22.82** 15.98	**–** –	**–** –	**22.82** 15.98
Titagarh Industries Limited	**2017-18** 2016-17	**–** –	**30.83** 29.83	**–** –	**–** –	**30.83** 29.83
Employee Related Liabilities						
Mr. J P Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** 14.04	**–** –	**–** 14.04
Mr. Umesh Chowdhary	**2017-18** 2016-17	**–** –	**–** –	**–** 14.03	**–** –	**–** 14.03
Ms. Vinita Bajoria	**2017-18** 2016-17	**–** –	**–** –	**–** –	**–** 1.45	**–** 1.45
Mr. Anil Agarwal	**2017-18** 2016-17	**–** –	**–** –	**–** 2.65	**–** –	**–** 2.65
Mr. Dinesh Arya	**2017-18** 2016-17	**–** –	**–** –	**–** 1.12	**–** –	**–** 1.12
Mr. Sudipta Mukherjee	**2017-18** 2016-17	**–** –	**–** –	**–** 1.88	**–** –	**–** 1.88

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/ shareholders/ relatives have significant influence	KMPs	Relatives of KMPs	Total
Trade Payables						
Titagarh Enterprises Limited	**2017-18**	**–**	**20.55**	**–**	**–**	**20.55**
	2016-17	–	–	–	–	–
Titagarh Industries Limited	**2017-18**	**–**	**0.21**	**–**	**–**	**0.21**
	2016-17	–	–	–	–	–

Notes :

a) **Terms and Conditions of Transactions with Related Parties**

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) **Remuneration of Key Management Personnel**

Rs in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	603.02	344.25
Contribution to provident and other funds	42.93	26.03
Share-based payment transactions	61.35	30.72
	707.30	**401.00**

The remuneration to key management personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Parent Company and the subsidiary as a whole.

42. Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2018 and March 31, 2017.

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2018

Rs. in Lacs

		Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy for Assets:	**Date of Valuation**			
Assets Measured at Fair Value:				
Foreign Exchange Forward Contracts / Currency and Interest Rate Swap	March 31, 2018 March 31, 2017	– 471.35	– –	– 471.35
Investments	March 31, 2018 March 31, 2017	– –	2,421.89 2,396.83	2,421.89 2,396.83
Total Financial Assets		**471.35**	**4,818.72**	**5,290.07**
Quantitative disclosures Fair Value Measurement hierarchy for Liabilities:				
Liabilities Measured at Fair Value:				
Foreign Exchange Forward Contracts / Currency and Interest Rate Swap	March 31, 2018 March 31, 2017	1,763.70 –	– –	1,763.70 –
Total Financial Liabilities		**1,763.70**	**–**	**1,763.70**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2018 and March 31, 2017 are as shown below:

Rs. in Lacs

	March 31, 2018	March 31, 2017
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	195.58	194.28
Impact of 1% Decrease	268.61	276.62
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company		
Impact of 5% Increase	70.94	75.51
Impact of 5% Decrease	70.94	75.51

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

Rs. in Lacs

	Investment in unquoted equity shares
Closing Balance as on March 31, 2016	**2,132.94**
Re-measurement recognised in Consolidated Statement of Profit and Loss	263.89
Closing Balance as on March 31, 2017	**2,396.83**
Re-measurement recognised in Consolidated Statement of Profit and Loss	25.06
Closing Balance as on March 31, 2018	**2,421.89**

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2017.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of derivative instruments are determined using market observable rates and published prices together with forecasted cash flow information, where applicable.

(b) The management assessed that the carrying amount of Long-term Borrowings which are at floating interest rates are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(c) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(d) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

43. Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Group has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Group. The Board of Directors also review these risks and related risk management policy which are summarised below:

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as commodity price risk and equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc

(i) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and borrowings. Such foreign currency exposures are hedged by the Group through use of foreign exchange forward contracts. The Group has a treasury team which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Group.

The Group's foreign currency exposure at the end of the reporting period are as follows:

Rs in Lacs

	March 31, 2018		March 31, 2017	
Particulars	USD	EURO	USD	EURO
Financial Assets				
Trade Receivables	–	1,706.06	–	–
Other Financial Assets	–	7,681.15	25.57	1,950.72
Derivative Assets				
Foreign exchange forward contracts	(4,424.56)	(9,685.68)	–	(2,125.90)
Net exposure to Foreign Currency Risk (Assets)	(4,424.56)	(298.47)	25.57	(175.18)
Financial Liabilities				
Borrowings	12,553.61	712.97	15,861.83	–
Trade Payables	552.14	50.42	–	236.19
Derivative Liabilities				
Foreign Exchange Forward Contracts and Currency and Interest Rate Swap	(14,520.36)	(923.39)	(15,861.83)	–
Net exposure to Foreign Currency Risk (Liabilities)	(1,414.61)	(160.00)	–	236.19
Net exposure to Foreign Currency Risk (Assets less Liabilities)	(3,009.95)	(138.47)	25.57	(411.37)

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2018	5% -5%	(138.47)	(6.92) 6.92	5% –5%	(3,009.95)	(150.50) 150.50
March 31, 2017	5% -5%	(411.37)	(20.57) 20.57	5% –5%	25.57	1.28 (1.28)

(ii) Equity price risks

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group only invests in the equity shares of some of the group companies as part of the Group's overall business strategy and policy. The Group manages the equity price risk through placing limits on individual and total equity investment in each of group companies based on the respective business plan of each of the companies. Reports on the investment portfolio alongwith the financial performance of the group companies are submitted to the Group's management on a regular basis. The Parent Company's Board of Directors reviews and approves all investment decisions.

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 42(II).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The Group manages its cash flow interest rate risk inter alia by using floating-to-fixed interest rate swaps. The Group's investments in bonds and term deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Group' s borrowings to interest rate changes at the end of the reporting period are as follows:

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Variable Rate Borrowings - Covered by Interest Rate Swap	11,521.95	13,268.29
Variable Rate Borrowings - Others	49,131.84	19,571.06
Fixed Rate Borrowings	1,744.62	4,324.73
Total Borrowings	**62,398.41**	**37,164.08**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Rs. in Lacs

	Impact on Profit before Tax	
	March 31, 2018	March 31, 2017
Interest Rates - Increase by 100 basis points *	491.32	195.71
Interest Rates - Decrease by 100 basis points *	(491.32)	(195.71)

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks and investments in tax free bonds). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2018 and March 31, 2017 is their carrying amounts.

(a) Trade and Other Receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.The Group uses specific identification method in determining the allowance for credit losses of trade and other receivables considering historical credit loss experience and is adjusted for forward looking information.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc. is managed by the Group's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Group's policy.

(c) Reconciliation of Impairment Provision

Rs. in lacs

	Claims Receivable	Security Deposits	Trade Receivables	Charges Recoverable
Opening Balance as at March 31, 2016	**3,192.51**	**42.77**	**176.05**	**–**
Provision made during the year ended March 31, 2017	–	–	202.03	–
Provision written back during the year ended March 31, 2017	(94.98)	–	(174.30)	–
Closing Balance as at March 31, 2017	**3,097.53**	**42.77**	**203.78**	**–**
Provision made during the year ended March 31, 2018	–	21.68	585.64	24.48
Provision written back during the year ended March 31, 2018	–	–	(170.70)	–
Closing Balance as at March 31, 2018	**3,097.53**	**64.45**	**618.72**	**24.48**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit losses rates. The Group uses judgement in making these assumptions based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

III) Liquidity Risks

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

Rs. in Lacs

	1 Year	1-3 years	More than 3 years
As at March 31, 2018			
Non-derivative Financial Liabilities			
Borrowings (including interest thereon)*	50,032.28	8,591.45	12,994.17
Trade Payables	30,630.55	–	–
Other Financial Liabilities	6,256.09	2,900.21	–
Derivative Financial Liabilities			
Derivative Instruments at Fair Value	115.79	–	1,647.91
	87,034.71	**11,491.66**	**14,642.08**
As at March 31, 2017			
Non-derivative Financial Liabilities			
Borrowings (including interest thereon)*	22,217.96	9,447.51	10,690.23
Trade Payables	44,249.17	–	–
Other Financial Liabilities	8,086.61	3,657.25	–
	74,553.74	**13,104.76**	**10,690.23**

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

44. Capital Management

(a) Risk Management

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

The Group monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Total Borrowings	**62,398.41**	**37,164.08**
Less: Cash and Cash Equivalents	5,840.23	3,382.25
Net Debt	56,558.18	33,781.83
Equity	85,466.70	96,757.30
Total Capital (Equity + Net Debt)	**142,024.88**	**130,539.13**
Net Debt to Equity Ratio	66.18%	34.91%

(b) Dividends on Equity Shares

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2017 of Rs. 0.80 (March 31, 2017 - Nil) per fully paid share	923.58	–
Dividend Distribution Tax on above	188.02	–
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. 0.30 (March 31, 2017- Rs. 0.80) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	346.50	923.58
Dividend Distribution Tax on above	70.55	188.02

45. Details on Construction Contracts in accordance with the requirements of the Indian Accounting Standard (Ind AS 11)

Rs. in Lacs

	As at / For the year ended March 31, 2018	As at / For the year ended March 31, 2017
Contract revenue recognised for the year	64,214.96	106,276.93
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to year ended for all the contracts in progress	78,327.69	139,641.96
The amount of customer advances outstanding for contracts in progress at the year end	40,253.92	46,272.93
The amount of retention due from customers for contracts in progress as at the year end	1,196.25	761.25
Gross amount due from customers for contracts in progress	44,608.91	54,043.74

46. Utilisation Of Money Raised Through Qualified Institutional Placement

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Unutilised amount at the beginning of the year	–	3,292.25
Less: Amount utilised during the year	–	3,292.25
Unutilised amount at the end of the year	–	–

47. Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year :

Rs. in Lacs

	As at March 31, 2018	As at March 31, 2017
Non- current Borrowings	18,725.05	15,978.01
Current Maturities of Long-term Debt	4,752.42	2,979.84
Current Borrowings	38,920.94	18,206.23
Interest Accrued	374.28	225.70
Total	**62,772.69**	**37,389.78**

	Non Current Borrowings	Current Borrowings	Total
Debt as at March 31, 2017 (including interest accrued)	18,957.85	18,431.93	37,389.78
Finance Costs	971.28	3,434.71	4,405.99
Cash Flows			
Proceeds from Long-term Borrowings from Banks	6,639.54	–	6,639.54
Repayment of Long-term Borrowings from Banks	(2,119.92)	–	(2,119.92)
Short-term Borrowings - Receipts/(Payments)	–	20,675.63	20,675.63
Finance Costs Paid	(808.49)	(3,434.71)	(4,243.20)
Non-cash Transactions			
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	–	10.66	10.66
Unspent Liabilities / Provisions no longer required Written Back	–	14.21	14.21
Debt as at March 31, 2018 (including interest accrued)	**23,640.26**	**39,132.43**	**62,772.69**

48. **Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below:**

Rs. in Lacs

	SBNs#	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**10.57**	**7.68**	**18.25**
(+) Permitted receipts *	–	12.61	12.61
(-) Permitted payments	–	18.48	18.48
(-) Amount deposited in Banks	10.57	–	10.57
Closing cash in hand as on December 30, 2016	**–**	**1.81**	**1.81**

* Represents cash withdrawals from bank accounts across various locations for petty cash purposes.

For the purposes of this clause, the term ‘Specified Bank Notes’ (SBNs) shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016.

As per our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership No. 056155

Place: Kolkata
Dated : May 29, 2018

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

D N Davar
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

Registered Office: 756, Anandapur, E M Bypass, Kolkata-700107
Phone: +91 33 40190800 Fax: +91 33 4019 0823
E-Mail: corp@titagarh.in; Website: www.titagarh.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ....

Registered Address : ....

E Mail ID : ....

Folio No/Client ID : ....

DP ID : ....

I/We being the member(s) holding ....shares of the above named Company, hereby appoint:

(1) Name : ....

Address : ....

E Mail ID : ....

Signature : ....or failing him

(2) Name : ....

Address : ....

E Mail ID : ....

Signature : ....or failing him

(3) Name : ....

Address : ....

E Mail ID : ....

Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my behalf at the 21st Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2018 at 3.15 P.M at Rotary Sadan, 94/2 Chowringhee Road, Kolkata-700020 and at any adjournment thereof in respect of Resolutions as are indicated below:

Resolution No.	Resolution Proposed
	Ordinary Business
1	Adoption of Annual Financial Statements (Standalone and Consolidated), Report of the Board of Directors and Auditors for the Financial Year ended 31st March, 2018
2	Declaration of Dividend
3	Re-Appointment of Smt. Rashmi Chowdhary, Non-Executive Director retiring by rotation
4	Removal of requirement of ratification of appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants, as Statutory Auditors.
	Special Business
5	Appointment of Shri Ramsebak Bandyopadhyay as an Independent Director.
6	Appointment of Shri Atul Joshi as an Independent Director.
7	Re-appointment of Shri D.N. Davar, Independent Director, for a term of five years.
8	Re-appointment of Shri Manoj Mohanka, Independent Director, for a term of five years.
9	Re-appointment of Shri Sunirmal Talukdar, Independent Director, for a term of five years.
10	Resolution under Section 20 of the Companies Act, 2013 authorising Company to charge for service of documents to members of the Company.
11	Approval for ratification of remuneration of Cost Auditor

Signed this .... day of 2018

Affix Revenue Stamp

Signature of Shareholder   Signature of Proxy holder(s)

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice Convening the 21st Annual General Meeting dated 10th August, 2018.
3. It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

"AAPKA VIKAAS HAMAARA PRAYAAS"
is TITAGARH's pledge to contribute to society by way of Corporate Social Responsibility
CSR initiatives under four themes styled:
"JEEVAN NIROG", "GYAN JYOTI", "SHAIL GANGA" & PARVAAH"
have been undertaken as projects

Titagarh Wagons Limited ("Titagarh") took up its corporate social responsibility long before it became mandatory by law and continues endeavour to make significant contributions to its social footprint. Titagarh believes that Corporate Social Responsibility (CSR) enables the underprivileged section of the society also to participate in overall development of the nation.

TITAGARH

Registered & Corporate Office
TITAGARH WAGONS LIMITED
Titagarh Towers, 756, Anandapur, EM Bypass
Kolkata - 700107, West Bengal, India